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# Fine Facts Tersely Told

Chartered in 1905, the Midland Mutual is older than any one of 80% of all United States Life companies and has more assets than any one of 86%.

Every policy owner participates in earnings.  
Reserve, without surrender charge, available beginning at end of 2nd year.

Free health examinations for policy owners.  
All modern forms of life and annuities available.

The Midland Mutual has always experienced an unusually low mortality, averaging 40.1% of the expected over the past thirty-one years.

Dividends are paid at the end of the 1st year, on annual premiums, and during disability and on paid-up policy additions.

Of the more than 300 legal reserve United States life insurance companies, those having \$100,000,000 or more of ordinary insurance in force are 69 in number. These 69 companies, of which the Midland Mutual is one, have 90 per cent of all the legal reserve life insurance in force in United States companies.

	Average 69 Companies	Midland Mutual
Surplus per \$1,000 insurance in force, December 31, 1936 . . . . .	\$15.74	\$20.28
Percentage of income over disbursements, 1936 . . . . .	30.43%	31.49%
Actual to expected mortality, 1936 . . . . .	56.92%	44.04%
Net interest earnings, 1936 . . . . .	3.81%	3.99%

End of Year	Admitted Assets	Policyholders Surplus	Life Insurance in Force
1907	\$187,372	\$173,492	\$1,546,950
1914	1,357,119	320,588	15,146,555
1921	5,821,498	418,226	47,029,354
1928	16,534,583	1,170,741	100,404,001
1937 (April)	26,000,000	2,159,908	107,140,795

**THE MIDLAND MUTUAL LIFE INSURANCE CO.**  
COLUMBUS, OHIO

**FRIDAY, MAY 7, 1937**

# IT TAKES ALL 3



## TO GET THE ORDER and ACCIDENT-HEALTH-LIFE INSURANCE to offer COMPLETE PROTECTION!

It takes a Buyer, a Seller and a Pen to get the signed order. Just as it takes Accident, Health and Life Insurance to provide complete personal protection.

B. M. A. salesmen offer all three! They find that by offering such complete protection they can do a better job of prospecting and a better job of selling!

Here then, is another reason why B. M. A. salesmen are making new sales records. And they are converting B. M. A.'s complete portfolio of personal protection into more profits for themselves. B. M. A. salesmen are continuing to sell an ever-increasing volume in thirty states and the District of Columbia. Yes, they have the advantages of selling Accident, Health and Life Insurance.

## BUSINESS MEN'S ASSURANCE CO.

Kansas City, Missouri

W. T. GRANT, President



### "WE'RE GETTING A NEW CAR"

"We're getting a new car this week. Dad says it's the nicest we've ever had. Streamlined and everything!

"Gee, you should see Dad! He's all enthusiastic these days. He's having one of the best months he's ever had since he started selling life insurance and he says next month is going to be even better.

"Dad says the company is making big gains in new business, and that means a lot more money for Dad and other Provident Mutual agents to spend.

"And Dad says it means more than that. He says it means that lots of kids like me are going to get taken care of if anything happens to their dads. And lots of mothers are going to have a roof over their heads. And old men are going to have their own money to spend instead of having to live with their grown-up kids.

"I'm sure glad Dad's in a business like the life insurance business. It makes a guy feel sort of proud."

## PROVIDENT MUTUAL

LIFE INSURANCE COMPANY OF PHILADELPHIA  
Pennsylvania • Founded 1865



# The NATIONAL UNDERWRITER

Forty-first Year—No. 18

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MAY 7, 1937

\$3.00 Per Year, 15 Cents a Copy

## Continuous Gain Goal of Training

Imparting Knowledge, Teaching Skills, Not Enough, Says Metropolitan Man

### LEADS BUREAU SESSION

Improvement in Work of All Agents Must Be Measuring Rod of Educational Success

NEW YORK, May 6.—Field education should not be thought of merely as a process of making poor agents into good ones but as bringing about a continuous and progressive improvement in the work of all agents, according to T. M. Stokes, supervisor division of field education and sales promotion, Metropolitan Life, who conducted the session on training agents in the Life Insurance Sales Research Bureau's managers' training course just concluded at Rye, N. Y.

"We cannot train the agent by merely helping him acquire knowledge," Mr. Stokes said. "If we could, all that would be needed would be a good correspondence course supplemented perhaps by instruction in the agency office. To bring about improvement in the work of the agent we must also help him acquire skill in prospecting and selling."

#### Must Motivate Agent

"But we must do more than this. We must motivate him to use the methods in which he has been trained and we must supervise the use of these good working methods until they become work habits. And our training to be effective must include an analysis of the agent's difficulties and his needs for training. Thus defined, training includes five activities: imparting essential information; teaching skill; motivating the agent; supervising his activities; and analyzing his weaknesses, his needs for training, and his progress so that each successive step in his training, which should be continuous, can be intelligently planned."

A great deal of training in the past has been ineffective, Mr. Stokes said, because those concerned with education thought of training as being only one or two of these training activities. Thinking of training as a single activity, such as imparting essential information, is like thinking of a box as its length alone, he said. A box must have length but it must also have depth and width.

#### More Than Imparting Knowledge

That education is much more than the mere imparting of knowledge is readily seen in the education of children, Mr. Stokes pointed out. What education really does is to change the behavior of people, to bring about improvement in their everyday social and business activities, he said. Teaching

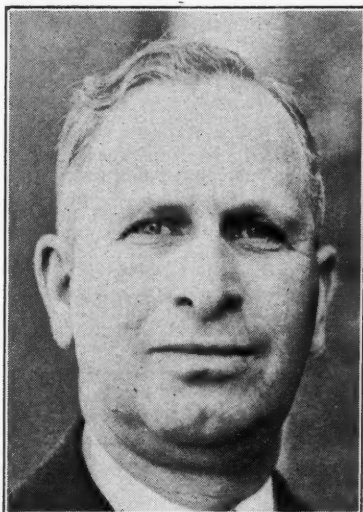
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## Lateer Elected President of Illinois Life Association

### OPPOSE INTEREST PROPOSAL

Wright and Wilson Endorsed for National Association Trustees at Aurora Rally

W. M. Lateer, Peoria, Ill., general agent John Hancock, was elected president Illinois Association of Life Underwriters at the annual meeting in Aurora the evening preceding the annual sales congress held jointly by the state and Aurora associations. Norris Bokum, of Bokum & Dingle, general agents Massa-



W. M. LATEER

chusetts Mutual, Chicago, first vice-president last year, was in line to be president but due to his recent serious illness and slow recovery was reelected first vice-president with the thought he will be in position to take the chair next year.

Mr. Lateer has been secretary-treasurer for the last two years. He has been for 25 years in life insurance work, all with the John Hancock. He was president of the Peoria association four years ago and has been second and first vice-president of the state association in the past.

#### Other Officers Elected

Other new officers are: Second vice-president, B. J. Stumm, general agent Northwestern Mutual, Aurora, and secretary-treasurer, E. M. Spink, general agent Columbian National, Jacksonville.

Resolutions were adopted endorsing H. T. Wright, associate manager Equitable of New York in Chicago, and J. H. Wilson, Massachusetts Mutual, Peoria, for election as trustees at the annual meeting of the National Association of Life Underwriters. Mr. Wright has been serving out an unexpired term as trustee arising from the resignation of A. E. Patterson as president. The resolutions were offered by L. O. Schriver, general agent Aetna Life, Peoria, and past president National association.

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## Some Interesting Telegrams for Life Insurance Week

### WIRE FROM SECRETARY ROPER

Irvin S. Cobb Also Gives His Reaction to the Forthcoming Annual Celebration

George L. Hunt, vice-president New England Mutual Life, who is chairman of the national Life Insurance Week committee, has received a telegram from Secretary of Commerce D. C. Roper at Washington, which reads as follows:

"The occasion of the fifth national observance of Life Insurance Week affords me the opportunity to commend the institution of life insurance in the United States for its far-reaching contribution to the social and economic welfare of our country. The fact that more than 100 billions of dollars of life insurance is in force here today is not only a satisfactory token of economic improvement but of public confidence and good management. Life insurance assets as a whole have increased every year since 1877 and are now estimated at nearly 25 billion dollars, thus expressing the relative growth of social and financial responsibility. The dedication of Life Insurance Week is a most worthy educational effort and should command the earnest cooperation of all patriotic citizens."

Another telegram has been received from Irvin S. Cobb of the National Broadcasting Company at Hollywood, which reads as follows:

"Ever since I could afford to carry an insurance policy—and that was shortly after I passed my 21st birthday—every week has been for me Life Insurance Week. P. S. The original policy is still in force."

Supplementing the usual newspaper advertising, a series of five advertisements interpreting life insurance as an institution as authorized by the national committee for publication in "Editor and Publisher." Already appearing twice monthly, these advertisements will continue until Life Insurance Week is definitely under way.

### American Institute Meeting

The American Institute of Actuaries will hold its annual meeting at the Edgewater Beach Hotel, Chicago, May 27-28. The Home Office Life Underwriters Association will hold its meeting at the Edgewater Beach Hotel, May 24-26. Many of the actuaries will attend both meetings.

### Entertainment for Commissioners

The entertainment program planned for commissioners, insurance executives and their friends at the annual convention of National Association of Insurance Commissioners in Philadelphia, June 21-23, will include a one-day trip to Atlantic City, probably June 24, the day after adjournment of the business sessions.

Leading golf links in Philadelphia will be reserved for delegates. The annual banquet is tentatively arranged for June 22.

Attendance of between 350 and 450 is expected, Secretary Jess G. Read announces.

## Dangerous Move to Lower Interest

Brief of Illinois Life Underwriters Association on Policy Loan Liberalization

### PUBLIC IS NOT BENEFITED

Strong Arguments Marshaled Against Laymen's Misunderstanding of Issues Involved

Growing prevalence of the idea among laymen that policy loan interest at the standard 6 percent, or even at the 5 percent charged by some companies, is entirely too high in view of the going rate on bank loans, is a trend in a dangerous direction, it was declared in a memorandum prepared by an insurance attorney for the Illinois Association of Life Underwriters, and presented at the annual meeting held in Aurora, Ill., last week.

The issue was precipitated by the Haleck amendment to the Illinois code to curtail policy loan interest, but is a proposal that has sprung up elsewhere during the years of depression when money rates were low.

#### Mortgaged Policies Lapse

Life insurance is the last social defense against adversity and should not be tinkered with by politicians. To reduce policy loan interest might stimulate borrowing on policies, which life insurance men know is a serious matter, even though the companies are much benefited in their net investment yield by 6 percent on policy loans. It is a matter of common knowledge that comparatively few loan repayments are made; many borrowers do not even trouble to pay the interest, which is deducted from values and added to the amount of loans, pyramiding the principal and interest. It is accepted as a rule in life insurance that a heavily mortgaged policy soon will terminate.

#### Muster 11 Arguments

The brief makes these points: 1. Policy loans are not ordinary loans and life companies are not bankers; 2, the interest rate in the policy contract is applicable a long distance into the future; 3, a lowering interest rate is injurious to policyholders; 4, there would be danger of a "run" on the life companies; 5, the life companies would be forced to change their investment policy; 6, a low interest rate would encourage borrowing for speculative purposes; 7, policy loans work to the disadvantage of companies; 8, there is heavy expense involved in handling policy loans and the individual policy loans are small; 9, policy values would have to be reduced on contracts sold in future; 10, the companies' record is clear and should not be jeopardized; 11, banks make commercial loans on the security of life insurance

(CONTINUED ON PAGE 24)



## N. Y. Managers Honor Past President; Study Pensions

NEW YORK, May 6.—Time-wasting hazards as well as big business potentialities of pension trust plans were frankly discussed by D. B. Maduro, insurance attorney, and Fred McKenzie, assistant secretary Central Hanover Bank & Trust Co., New York City, at the New York City Life Managers Association business conference. H. A. Schmidt of Allen & Schmidt, general agents New England Mutual, New York City, discussed the general agent's obligation to the agent under the title, "I Am a General Agent—So What?"

In the evening the retiring president, Harry Gardiner, general agent John Hancock Mutual, was honored at a testimonial dinner. His fellow members presented to him a silver tray engraved with all their signatures. The speaker of the evening was President G. W. Cox of the John Hancock. He talked on Mr. Gardiner's long and valuable service to the company. He also touched on the social importance of industrial insurance saying that its origin recognized the family as the important unit that it is.

### Joint Discussion Leaders

Messrs. Maduro and McKenzie, who jointly conducted the pension trust sessions, said that the closing of the Corn Products Refining Company case did more harm to the life insurance agents in New York City than anything that has happened in quite a while, for it gave an exaggerated impression of the ease of writing pension trust plans and the amount of money to be made from them as a general thing. Mr. McKenzie said that many agents fail to realize that a company, to be a prospect for a pension trust plan, must first be making money and second be pension-minded. Many agents want to place the pension idea before a company, like the Baldwin Locomotive Co. or the New Haven Railroad, both of which are in reorganization.

Mr. Maduro felt that the company which puts in a pension plan has a number of collateral benefits in addition to merely taking care of the pension needs of its employees. Mr. McKenzie was not fully in agreement on this point. As to what official in a firm to talk to, it appears that the best man is the president and the poorest prospect is the man in the company who handles the insurance. In explaining the plan to the proper official, Mr. McKenzie said not to worry if a similar plan has been presented to him before by somebody else, as he probably was not listening to it the first time. Usually, he said, there is either definite interest in such a plan or none whatever. "Either you're in for two hours or out in three minutes," he said.

### Big vs. Small Companies

In general, big company executives are mainly interested in the pension plan as such whereas the smaller companies are more susceptible to the tax advantage approach.

More or less the same questions are asked by every employer and it is advisable for the agent to know the answers to those. For example employers usually want to know if they must contribute the whole sum or whether the employee can share the expense. The usual plan is to have employer and employee contribute one-half. Whether all employees or just a certain group can be included in the plan is another usual question. All employees need not be included, said Mr. Maduro, but the group should be reasonable and the pension plan should be fair, that is, not too large an income to certain individuals. Consistency is the best guide, he said.

The question of what to do in lean years is another frequent one. It is usually provided that the pension committee, in whose hands the management of the trust is placed, is allowed to use accumulated dividends or cash values to

carry on the plan during such a period. Employers frequently ask if they could put in more money at once and while this can of course be done it is not certain whether the tax advantage will be so great.

What happens if the employing company merges, goes out of business, or becomes bankrupt, is another frequent query. The main point in such cases is that, the corporation having divested itself of ownership of the money it has contributed, there is no claim by creditors on these sums but future contributions would depend on the new circumstances.

The fate of the employee's contributions in case he resigns or is discharged, is also a frequent question. The employee in such a case gets back all his old contributions and as much of the company's contribution as the pension committee, which has sole discretion, may decide. A good plan, the speakers said, is to have two policies, one representing the employee's contribution and the other representing the company's contribution. In this way the policy representing the employee's portion may be turned over to him immediately without waiting for the pension committee to decide what it will do about what the employer has contributed.

### Covering Affiliated Concerns

Prospects for pension plans often ask if employees of affiliated companies can be covered. This can be done. One of the most frequent questions is how can the employing corporation be assured that the income tax exemption information furnished to it by the agent is accurate. Mr. McKenzie said that the best way is to quote the sections of the law, since fortunately they are very clear, but in all cases to advise the employer to consult his lawyer.

Of equal concern to employers is the probability that the present exemptions will continue. The best answer seems to be that the government seems to be

very pension-minded. The very adoption by an employer of a pension plan is hand in hand with the social security theory of the government and the law which supports that theory is more likely to remain in force than much other legislation. On the question of retirement ages, any age within reason may be permitted.

Whether a corporate trustee is strictly necessary is another question that is frequently encountered. Mr. McKenzie said that while it is not necessary to have a corporate trustee he felt that, entirely aside from his business connection, it is very much preferable to have one. He said that as far as the trust company's angle is concerned the fee in most cases is so small that handling the case is mainly a matter of good will.

A plan of building agency morale through individual conferences with agents as nearly every day as possible, was advanced by Mr. Schmidt in his talk on the general agent's responsibilities.

After outlining the characteristics of the agent whose morale is poor, Mr. Schmidt said the first requirement is the establishment of confidence between the general agent or manager and his men.

### Gaining Agents' Confidence

"My first reaction in thinking of confidence as applied to the men in our agency was that of course we enjoyed their confidence," he said. "In pursuing this thought further, however, I wondered whether or not I had really gotten under every man's skin quite as much as I should or could. It seems to me that if every now and then we were to take each man as an individual and do some real thinking for 15 or 20 minutes concerning his problems, his situation, his selling behavior, instead of considering him solely as a cog in the agency wheel, as possibly we sometimes do, much benefit might accrue to the agent himself and to the agency. Many of you undoubtedly employ such a technique now."

Mr. Schmidt suggested that general agents and managers ask themselves the following questions:

Have we convinced him that we possess an unselfish interest in his welfare? Are we helping him solve his particular individual selling problems? Do we really know what they are? Do we make

## Boom for Harry Wright Is Now Well Under Way

About 30 attended the luncheon in Chicago in support of the nomination of Harry T. Wright for reelection as a trustee of the National Association of Life Underwriters. Mr. Wright is assistant manager in Chicago of Equitable Life of New York and is one of the most prominent operators in the country.

W. V. Woody, manager of the agency with which Mr. Wright is connected, was the host. Frederick Bruchholz, New York Life, president of the Chicago Life Underwriters Association.

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it easy for him to tell us the things that are bothering him, whatever their nature?

Are we good listeners? Do we always furnish him examples of industry and organized planned effort? Are we cognizant of today's problems in the field and do we know the answers, so to speak? Mr. Schmidt suggested that general agents and managers might obtain some of these answers by doing some selling in the field among prospects rather than among their present policyholders.

Do we sometimes make him feel uneasy in our presence? Has he at times been unwilling to tell us what was on his mind because he thought we might consider his particular problem without significance or even foolish? Have we endeavored to adopt the "you" attitude in our discussions with him? Do we always make ourselves available and easily accessible? Have we really attempted to sell ourselves as men, and not solely as general agents to our men?

### Omissions Forfeit Confidence

"I am convinced that if we are guilty of any of these omissions we shall fail to receive the full confidence of our agents," Mr. Schmidt said. "As we win completely their confidence, so I believe we shall succeed in keeping their mental attitudes at high levels."

Quoting the statement of Walter P. Chrysler that any big job is simply a number of little jobs, Mr. Schmidt said that the job of morale building will be simplified if it is broken up into little jobs dedicated to making each individual in the organization feel proud of his calling and financially successful. There is no greater satisfaction than any general agent or manager can experience than that of being instrumental in bringing about such a result, he said.

### Need Shot in the Arm

Depicting the traits of the man whose mental attitude needs a hypodermic, Mr. Schmidt said that such a man is not making money, has a lot of unpaid bills, is going through the motion of making calls merely as a sop to his conscience but is getting nowhere. He is writing little business, is unsympathetic to the idea of daily reports or organizing his work, rarely attends any educational meetings even though they cost him nothing but his time, an item already determined to be worth little.

Such a man, said Mr. Schmidt, is not enthusiastic about agency meetings, spends practically no time reading and studying, seldom seeks counsel from the general agent or supervisors on his own initiative, and usually blames his lack of production on things beyond his control, such as the depression, which he fails to realize is a thing of the past, but only occasionally if ever does he look to himself for any errors of omission or commission.

In addition to Mr. Cox, officers of the John Hancock who attended the dinner to Mr. Gardiner were E. H. Brock, vice-president; B. K. Elliott, vice-president and general counsel; C. J. Diman, vice-president and secretary; and J. Harry Wood, manager of general agencies. Superintendent L. H. Pink and Counsel L. M. Gardner of the New York department were guests.

## Address N. Y. Agency Over 'Phone



**JEROME CLARK**  
Vice-president Union Central



**DR. WILLIAM MUHLBERG**  
Vice-president and Medical Director

Four officers of Union Central Life formed the warming-up squad, and tossed the first ball in the annual May sales campaign of the Charles B. Knight Agency, New York City. W. H. Cox, president, attended the meeting at which the contest was described and teams announced. While not present in person, the other three officials spoke via a direct telephone line and amplifiers in the

meeting room in the New York office.

Seated in his office in Cincinnati, Jerome Clark, vice-president, introduced Dr. William Muhlberg, vice-president and medical director, and Charles Helle, assistant secretary. Each addressed the New York agency on ways and means of carrying the "More Money for May" baseball contest through to a successful conclusion.



## State Uniformity Is Badly Needed

Assistant Director Davis of Illinois Addresses Sales Congress in Aurora, Ill.

### U. S. CONTROL IS THREAT

Program of Stars Given Under Auspices of State and Local Associations

Unless life insurance people properly discharge their responsibility to the public, the public may turn to the government, Roy L. Davis, assistant director of insurance, declared in a talk at the sales congress in Aurora, Ill., sponsored by the Illinois and Aurora Associations of Life Underwriters. The "interstate" theory under which federal jurisdiction arises easily may be invoked, he said.

Mr. Davis substituted for Director Palmer, who because the insurance code was pending in the legislature was unable to attend. The subject was "Comments from the Sidelines." Mr. Davis said the code will permit Illinois to assume leadership insurance-wise. It will permit action against firms and individuals who do things not for the general good but are within the law.

#### Law Uniformity Is Sought

Uniformity of insurance laws is an objective now being sought, he said. Lack of uniformity creates complexities that might bring some federal control of insurance. There is a tendency, therefore, among states to iron out difficulties and obviate the possibility of federal action based on the interstate theory. He noted as beneficial trends the commissioners' zone examination plan and their step to organize more cohesively through a headquarters office and executive secretary.

Mr. Davis said if life insurance agents and companies had done their job properly the social security act would not have been passed. The trend is very pronounced, he said, for the people to turn to the government if the life insurance people do not properly discharge their functions. He noted also a trend to simplicity toward the fundamentals of life.

#### Race Meet Swells Attendance

Attendance was swelled due to opening of the racing season at Aurora the afternoon of the congress. There was a large delegation from Chicago, and a number of present and past state association officials motored there from distant points despite a near-cloudburst the afternoon before the state meeting. Mayor H. B. Warner of Aurora, who conducts a general insurance agency representing the Northwestern Mutual, extended welcome. President H. J. Brunner of the Aurora association, John Hancock manager, greeted the visitors.

M. L. Buckley, president Chicago chapter of C. L. U. and Provident Mutual agent, said a questionnaire sent to the 113 C. L. U. men there shows that of 72 who have replied, average income was \$7,792. The analysis is being made to show practical results of holding the C. L. U. degree. He stressed educational effort, declaring the companies, general agents and public are entitled to expect from agents a high degree of proficiency in handling estate matters. His subject was, "All in a Day's Work." His prospecting system starts with a "hopper file" into which go all names. These he then uses to secure information, always putting another name in the file when he

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## Place Obligations Ahead of Rights, E. D. Duffield Urges

PRUDENTIAL DINNER SPEAKER

Banquet Brings Three Days' Business Conference of Company to a Close

NEW YORK, May 6.—While various groups are vociferous in demanding their "rights," too little is heard about perpetuating the sense of obligation without which there can be no right except that of superior force, President E. D. Duffield of the Prudential declared at the banquet which concluded the annual business conference. Life insurance, he said, stands out as an example of placing duty ahead of rights.

"I wonder if too much of our legislation is not on the basis of protecting rights rather than perpetuating a regard for obligations," he continued. "We have created an age in which men have sought for themselves, disregarding the effect on the rights of others. I'm afraid that 'ought' has not the imperativeness that it must have if we are to attain the conditions which we want."

#### Obligations Must Come First

"I cannot prognosticate what is going to happen but I can tell you that when men recognize the imperativeness of 'ought,' when they recognize the superiority of obligation over right, then we will have regained measurably that which we have lost. We may not be an extremely wealthy nation but we will be a healthy, contented nation in which it will be better for our boys and girls to grow up."

Saying that life insurance is a particularly good example of placing obligation ahead of right, Mr. Duffield said that life insurance policyholders have recognized

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## Fortieth Anniversary Is Now Being Celebrated



FRANK H. SYKES

The Fidelity Mutual has launched a production campaign in honor of F. H. Sykes, vice-president and manager of agencies, who on May 8 celebrates his 40th Fidelity anniversary. The campaign is receiving an unusually active backing by the Managers Association.

The datum line has been fixed at \$4,000,000 or \$100,000 of business for each of the 40 years of service rendered by Mr. Sykes. The extent of the tribute will be measured by the volume in excess of this \$4,000,000, and the slogan in use in this connection bears out the thought—"Over 40 in May."

Mr. Sykes joined the Fidelity Mutual in 1897 and spent 11 years in clerical

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## Warns of Delay on Rail Problem

President Bruere of Bowery Savings, Former Life Official, Addresses Bankers

### SUGGESTS 10-MAN GROUP

Fully Representative Body Would Be Commissioned to Make Study and Obtain Action

NEW YORK, May 6.—The railway problem should not be pushed aside until the next depression but should be met and dealt with without delay, according to Henry Bruere, president Bowery Savings Bank, New York City, who spoke at the National Savings Banks convention. Mr. Bruere was at one time a vice-president of the Metropolitan Life. As a first step in the solution of the railway situation Mr. Bruere recommended that a representative body of 10 men be created by joint action of interested parties to frame a transportation policy for America.

This body, he said, should be chosen by its constituencies and not selected by any individual, except, perhaps, for those who would represent the government. He recommended that it consist of equal representation of executives, investors, shippers, laborers and government. It would be compensated for its services and adequately staffed, and should be assured of cooperation from all sources. Such a body should be given ample time to arrive at its recommendations and should be commissioned to secure the adoption of its recommendations, Mr. Bruere said.

#### No Dearth of Studies

"I am aware that we are worn with studies, commissions, and investigations," he conceded. "I agree that such efforts are often sterile or confusing. Yet here we have a great public service enterprise that gives promise of regaining its leadership in American industry, a place where logically it belongs. In experience with labor and with a critical public, the railroad is senior to all other American industry. No other industry is so greatly affected with the public interest. Few equal it in ability to perform ceaselessly its diversified services with such responsibility and skill."

"An objective, patient, long-time view must be had by all of us. This is of greatest importance in respect of the industry for which the defeatist is always ready to prescribe government ownership. Proof must be given that the private citizen in America can function more adequately in the management of business than government appointees. The opportunity is here. Shall we take it up? or, shall we wait until the next depression and turn our attention meanwhile to the old business of making private hay while the clouds temporarily at least seem to have gone with the bitter winds of yesterday?"

#### Goal Desired for Railroads

The desired results for the railway industry, he said, include a favorable public opinion, harmonious and cooperative employee relations, fair treatment from its customers permitting of adequate earnings, efficiency and progressiveness in management, an adequate supply of capital funds to keep abreast of the needs of the nation and the blessings of a governmental policy settled at least for a reasonable period of years.

Mr. Bruere was optimistic about the responsible attitude of railway labor and

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## The Ten-Year Olds

Sagaciously wrote one of our Louisiana representatives:—

"Every day, every hour, a portion of a crop that never fails to come to maturity is ready to be harvested by life insurance men. I mean the boys and girls of 10 or thereabouts. The parents, especially the father, are usually susceptible to the idea of insuring the boy or girl. Ask a middle-aged father, 'Don't you wish your father had put a policy on you when you were 10 years old?' Almost always the answer is, 'Yes—it would have been paid up long ago.' Then, 'And the policy of this son of yours would be paid up when he is 30, or even before if he lets the dividends accumulate. Think of what that would later mean to him!'"

"A man seems to have a special affection for his first policy. It may be only some semi-useless certificate, but they all say about the same thing, 'I don't believe it's worth a hoot, but I have had it so long, and it was the first policy I took.' The boy, like his father, will almost love his first policy, —a real one,—and in future years will be friendly to the company that issued it."

Go after the young ones. You will be investing in a profitable future.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

## Colorado Insurance Quiz Marked by Lurid Clashes

### LEGISLATOR SHOWS GRUDGE

Battles Between Sterling Lacy and Representative Kline Make Legislative Investigation Sensational

DENVER, May 6.—The question of whether the Colorado Life was within its legal rights in a matter relating to an interest charge on bonds, the principal subject of discussion to date in the insurance investigation being conducted by a special committee of the Colorado house, will be decided in district court under a suit which has been filed there by a bondholder. To all appearances, the investigation has accomplished very little and is about ready to fizzle out.

So far, attention of the committee has been focused entirely on officials of the Colorado Life. The investigation has been marked by spectacular verbal clashes and physical encounters in which Herman Kline, head of the house insurance committee and the instigator of the investigation, has been the principal figure.

#### Cochrane Praises Company

"Not a company in the United States is in a more solvent, sound financial condition than the Colorado Life," declared Commissioner Cochrane. "The insurance department has the company's reserves on deposit, under lock and key. We know what condition they are in."

Most of the questioning of Sterling B. Lacy, president of Colorado Life, and other company officials has been centered around the 5½ percent interest charged by the company on installments for endowment bonds and stock issued to finance the company.

Mr. Lacy testified that this interest charge was not mentioned in the applications but was indicated plainly on the bond itself.

The buyer of a \$1,000 endowment bond agreed to pay \$150 per year for five years on the bond and then to buy a share of stock at \$250. Interest was charged on the stock and bond installments until paid. The stock was issued after the bond was paid up. During this period, interest constituted a lien against the bond. In the case of a policyholder who subscribed for a share of stock, the amount owed and interest on the installments were a lien against the policy until the stock was paid for. The only question apparently involved is whether it was legal for the company to charge interest on the bond installments without specifying this fact on the application for them.

#### Outgrowth of Earlier Bill

The investigation is an outgrowth earlier in the legislative session, of a fight between Mr. Lacy and Kline over a bill providing that a domestic insurance company which has reinsured and ceased to do an insurance business should cease to be subject to the insurance laws and come under the general corporation laws.

The object of the bill, which was introduced at Mr. Lacy's request, was apparently to permit withdrawal of \$100,000 deposited with the department by the original Colorado Life, reinsured in 1933 by the Gibraltar Life & Accident, a subsidiary of the original Colorado Life. After getting an unofficial analysis from Assistant Attorney-general Donaldson, who stated that he considered the bill a special interest measure, Mr. Kline bitterly opposed the measure. Mr. Lacy and other company officials did not push the measure when they were advised that should the \$100,000 deposit of the Colorado-Gibraltar be transferred to the new Colorado Life it would have to be carried as a liability.

Mr. Lacy declared that the measure was merely designed to permit a book-keeping transfer which would have im-

## Again a Director



S. F. CLABAUGH, Birmingham

President S. F. Clabaugh of the Protective Life was reelected a director of the U. S. Chamber of Commerce to represent his geographical district.

proved the technical position of Colorado Life.

The first Colorado Life was formed in 1926. Gibraltar Life & Accident was formed in 1929. When the reinsurance deal was completed in 1933, Colorado Life became Gibraltar-Colorado Life and Gibraltar Life & Accident became the new Colorado Life. At this time, the original Colorado Life discontinued writing insurance, becoming a holding company for stock in the new Colorado Life.

During the hearings Mr. Lacy was called before the house insurance committee, headed by Kline. Here, he was treated in what he considered an unfair and abrupt manner.

Mr. Lacy asked Governor Ammons to tell Kline that Lacy had been a resident of Colorado for 35 years and that his statements could be depended upon. The governor called Kline to his office to discuss the matter. In that meeting, there was a bitter verbal battle between Lacy, Lacy's son and Kline, with Kline challenging the younger Lacy to a fist fight.

Following the defeat of the disputed bill, Kline called for a house investigation of the Colorado Life. This measure was defeated but recently a request for what was supposed to be an investigation of all insurance companies in the state was passed by a large majority.

During the present investigation Kline has tangled with various people involved in the hearings including State Senator Abbott of Yuma. Kline swung at Abbott following a dispute as to whether the senator, sitting in the hearing as an attorney, had the right to ask a question of a witness.

## No Ban on Comparing Companies

ATLANTA, May 6.—A. R. Wright, deputy insurance commissioner, holds that agents have the right to compare the financial strength of the companies they represent in competition for insurance business. A complaint was filed by E. G. Hitt against C. H. Bryant, both of Atlanta, asking that Mr. Bryant's license be revoked on the ground that he had criticized the financial standing of a company represented by Mr. Hitt.

After a hearing, Mr. Wright dismissed the complaint, holding that the commissioner has no power or authority to consider matters of this nature and that insurance agents or insurance companies in competing with each other have the right to compare the financial conditions and standing of the companies involved.

## Speakers List Announced for Industrial Conference

ASHEVILLE MEET MAY 13-15

Commissioner Boney, R. A. Hohaus, J. F. Finlay, P. T. Stone and A. M. Lumpkin on Convention Program.

The completed program for the annual meeting of the Industrial Insurers Conference, which will be held at Grove Park Inn, Asheville, N. C., May 13-15, has been announced. Aside from the banquet the night of May 14, the entertainment features include a golf tournament the first two afternoons, an automobile trip to the summit of Mt. Pisgah, 5,479 feet high, 25 miles from Asheville, and a motor drive through the Biltmore estate, with a visit to the Vanderbilt home, returning by the Elk Mountain scenic drive overlooking Asheville. There will also be bridge for the ladies, with a shopping tour of downtown Asheville and several attractive shows booked for the first evening.

The program for the business sessions is as follows:

#### Thursday, May 13

Call to order by President O. E. Starnes, vice-president Imperial Life. Address of Welcome, R. M. Wells, mayor of Asheville.

Response, G. R. Kendall, president Washington National.

Address of the President. Reports of Committees: Credentials, J. A. Walker; good of the conference, J. R. Leal; grievance, P. P. Pepper; membership committee, F. P. Samford; secretary-treasurer, W. B. Clement.

Address, Dan C. Boney, insurance commissioner of North Carolina.

"Old Age Pensions for the Field Force," R. A. Hohaus, assistant actuary Metropolitan Life.

"The Social Security Act," J. F. Finlay, general counsel Inter-State Life & Accident.

2 p. m. Meeting of the legal section, P. M. Estes, president.

#### Friday, May 14

Report of executive committee, F. P. Samford.

"Insurance Psychology," W. P. Jacobs, president Presbyterian College of South Carolina, Clinton, S. C.

Executive session, limited to company officials.

Report of statistical committee, William Wallace.

Report of committee on double indemnity, G. W. Mumford.

"Industrial Agency Contracts," discussion introduced by P. T. Stone, manager ordinary auditing department Durham Life.

General round table discussion.

7 p. m. Annual conference banquet; presentation of golf and bridge prizes; guest speaker, A. M. Lumpkin, Columbia, S. C., chairman board American United Life, "The Public and Life Insurance."

#### Saturday, May 15

"Insurance's Place in the Changing Economic World," D. H. Ramsey, general manager Asheville "Citizen-Times."

Reports of law committee, P. M. Estes; advertising, H. A. Bartholomew, auditing, G. N. Spring.

Election of officers, date and place of next meeting.

## Not Covered by Job Law

The North Carolina commission has handed down a ruling concerning the status of a certain type of life insurance agent under the state unemployment compensation act. Agents who have retired from active duty because of age or infirmities and draw annuities from the companies but are still allowed to solicit business occasionally are not employees within the meaning of the act, the commission holds.

The same holds true, the commission holds, with respect to organizers of fraternals who secure members on commission. Such operators work when, where and how they please, free from control.

J. M. Sheers has been appointed agency manager for the Amarillo, Tex., district of the American United Life.

## Reciprocal Pact for Iowa-Illinois Agents Licenses

DES MOINES, May 6.—Illinois and Iowa have entered into reciprocal agreement affecting agents' licenses for the conduct of insurance.

1. The Illinois department agrees to issue non-resident brokers' licenses to Iowa agents for all lines of insurance provided that any policy covering property or risks in Illinois must be countersigned by a licensed resident agent of that state. The fee charged is \$10.

2. The Iowa department agrees to issue agents' licenses to Illinois residents who are duly licensed in that state by the Illinois department, provided, however, all policies, other than life, must be countersigned by a resident agent of Iowa, and provided, further, that the Iowa department will issue not more than five licenses to any such agent for a fee of \$10. Such non-resident agent must hold a license for each company for which he solicits and places business. Further licenses above five will be issued on additional payment of a fee of \$2 for each foreign company and 50 cents for each domestic company.

The provisions of ruling 2, above, may be relaxed in Iowa when it appears to the commissioner that a reciprocal agreement with adjoining states may be made to the advantage of citizens of Iowa.

When such reciprocal agreements are made, the Iowa department will grant requisitions for and issue licenses to non-resident agents for the sale of life, fire, casualty and marine insurance in all of the branches specified in Section 8940 of the Iowa insurance code. These licenses will cover all companies, associations and reciprocal exchanges but will only be granted to agents who are licensed by the departments of their own states.

All policies sold and delivered to residents of Iowa must be countersigned by and placed through a resident agent of Iowa who will be held responsible for the valid execution of the policies so placed and for the settlement of the premiums involved with the insuring companies.

## Must Return Commission When Premiums Returned

The Washington supreme court has upheld the claim of Aetna Life for return of commissions from a broker on account of premiums that were returned to an assured during the contestable period. The case was Aetna Life vs. Moser et al.

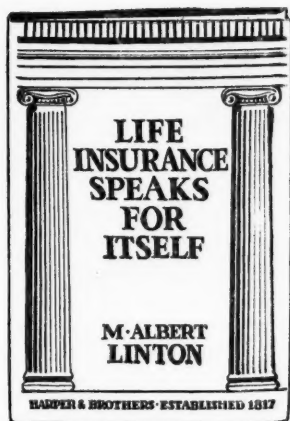
The defendant was a New York Life agent. He got an application for \$175,000 insurance. New York Life limited its acceptance to \$50,000. Aetna Life took \$25,000 with a commission agreement with the broker stipulating that if for any reason the premium is returned to the insured by Aetna Life, the broker would return to Aetna Life on demand all commissions received by him under the agreement.

The broker collected the first year's premium and remitted to Aetna Life. The latter, in turn, remitted to the broker his commission. Shortly thereafter the insurers took steps toward canceling their policies. As a result of negotiations, the insured surrendered the contract upon repayment to her of the amount of the premium with interest. The broker refused to return the commissions he had received.

The court held that it is clear that the broker under the explicit terms of his agreement, is bound to return the commissions. It is well settled that, if the agent agrees to forego or surrender his commissions in the event of cancellation or repayment of the premiums to the insured, he will be held to his agreement.



# Once and for All—Let's Get the Record Straight!— about this Life Insurance Business



READ

## LIFE INSURANCE SPEAKS FOR ITSELF

By M. ALBERT LINTON, President Provident Mutual, Philadelphia

This uniquely important work has grown out of the imperative need for authoritative information to correct widely publicized mis-statements and false charges about the practice of the life insurance business today. Here is no partisan and uncritical advocacy of the entire business but a scrupulously careful and informing statement of the reasons why the life insurance business is conducted as it is.

### Answers all the typical criticisms!

Mr. Linton takes up one by one all the typical criticisms, shows just where each is misleading, and offers a correct interpretation. In a concise, sound, yet not-too-technical manner he gives the *plain facts* about costs, reserves, premiums, emergency loans, dividends, mortality tables, and other factors. And in addition he describes the structure of the life insurance business and the directions in which improvements are being made.

Mr. Linton's background, like the title of his book, "speaks for itself." It would be difficult to find a man better fitted to undertake this tremendous task. In addition to being President of the Provident Mutual Life Insurance Company, he is President of the Actuarial Society of America, ex-Chairman of the Executive Committee of the Life Insurance Sales Research Bureau, a former Chairman of the Life Insurance Week committee, and former Actuarial Consultant to the Committee on Economic Security of the United States.

### Here's what Theodore M. Reihle says - -

"I feel that President Linton is performing a really remarkable service to the nation at large, in the presentation of his new book. The attacks which have been made recently upon the institution of life insurance are so crude and are based upon such dangerous fallacies that the public should be protected by just this kind of an accurate, scientific but yet simple treatment of the subject."—THEODORE M. REIHLE, President, The National Association of Life Underwriters.

**Don't Miss This Most Important New Book!**

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 "You Charge Different Prices for the Same Thing"  
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 "The Average Life of a Policy Is Only Seven Years"  
 "Lots of New Business and No Gain in Insurance in Force"  
 "You Profit Enormously When Insurance Is Surrendered"  
 Is There *Nothing* About the Life Insurance Business That Could Be Improved?

### TYPICAL OPINIONS

"Mr. Linton's book is a clear, accurate and interesting analysis of the many fallacies and misunderstandings which exist concerning life insurance. It should be invaluable to the intelligent buyer of life insurance."—JAMES A. FULTON, President, Home Life Insurance Co.

"Life Insurance speaks clearly and authoritatively in the pages of Mr. Linton's excellent book. It is a much needed and fine answer to the more technical critics . . . and will help many to think straight concerning structural fundamentals."—GRANT L. HILL, Director of Agencies, Northwestern Mutual Life Insurance Co.

"It would not be possible for me to speak too highly of the interesting, informative and instructive manner in which this book is prepared. Even a skeptic could not fail to be convinced after reading it. It fills a long-felt need."—JOSEPH C. BEHAN, Vice-President, Massachusetts Mutual Life Insurance Co.

"From a wealth of knowledge and experience Mr. Linton, with rare insight and clarity, has deftly turned the tables of misunderstanding."—H. M. HOLDENESS, Vice-President, Connecticut Mutual Life Insurance Co.

**"Effectively Answers these 'Difficult' Questions"**

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## Life Insurance Week

(May 17th—22nd)

The financial security which Life Insurance is offering to the people of this country will be emphasized during Life Insurance Week. From coast to coast the famous slogan will be reprinted—"The sooner you plan your future, the better your future will be."

Security is the theme of the Metropolitan's advertisement in a list of May magazines.\* The copy points out that Life Insurance is as secure as a bowline knot—the knot which sailors the world over know is dependable.

\*Business Week, Collier's, Cosmopolitan, Forbes, Nation's Business, Saturday Evening Post, Time.



## METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, Chairman of the Board  
Leroy A. Lincoln, President

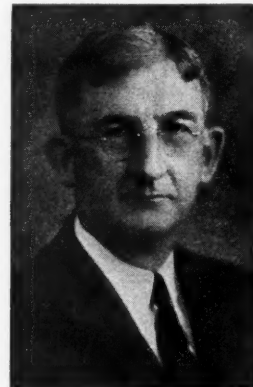
ONE MADISON AVE., NEW YORK, N. Y.

## Honor Midland Mutual Veterans

About 100 representatives of the Midland Mutual Life celebrated the 25th anniversaries of General Agent C. W. Stillson and President George W. Steinman at Youngstown last Saturday. Mr. Stillson's is the second largest Midland agency.

J. A. Hawkins, manager of agencies, presided.

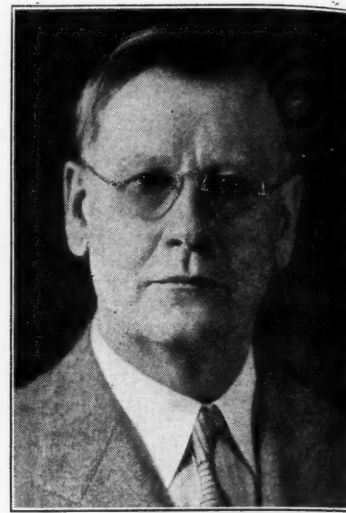
Among the speakers were Lloyd T. Stillson, son of C. W. Stillson and a leading producer in that agency; O. L. Prior, a prominent



C. W. STILLSON

Youngstown business man who started C. W. Stillson in the business; S. D. Morris and I. Vagnozzi, veteran producers of the Youngstown agency; E. P. Tice, Columbus, the company's first representative; President Steinman, who started 25 years ago as comptroller, later secretary and then vice-president and president since 1933. Probate Judge C. M. Woodside spoke on "The New Profession," calling attention to the importance life insurance plays in connection with the settlement of estates.

While Midland Mutual was organized only 31 years ago, it has a number of prominent representatives who have been with it for 25 years or more. Since the company was licensed only in Ohio



G. W. STEINMAN

25 years ago, all of the old guard with 25 years or more of service are in that state. These are: E. P. Tice and H. P. Jeffers, Columbus; K. I. Dickerson, Newark; S. B. Garwood, Columbus; W. T. Trump, Dayton general agent; J. O. Jones, Alexandria; E. O. Mowrer, Akron general agent; L. U. Mechem, general agent, Bethesda; D. T. Hiser, general agent, Greenfield; B. F. Carter, assistant manager of Tice & Jeffers; C. E. Schaad, general manager, Marion; W. E. Hitchcock, Cleveland; O. J. Dodge, Delta; E. C. Roberts, Canton; H. S. Foote, Geneva; H. H. Neptune, Lorain; W. B. Baughman, New Concord; W. J. Robison, Ravenna, and P. L. Van Atta, New Lexington.

### U. S. Chamber Election Puts J. C. Harding on Directorate

John C. Harding of Chicago, executive vice-president in charge of the western department of the Springfield Fire & Marine group, was reelected an insurance director of the United States Chamber of Commerce at the annual meeting. He presided over the gathering of the insurance division.

James S. Kemper of Chicago, president Lumbermen's Mutual Casualty and head of the well known Kemper insurance group, was elected a vice-president. He was formerly an insurance director.

O. J. Arnold of Minneapolis, president Northwestern National Life, was elected a director from his region which is composed of Minnesota, the Dakotas, Nebraska and Montana.

Lee J. Dougherty, president of the Guaranty Life of Davenport, who had been a director for two terms, was not elected to serve a third term. He had met with signal success. It was found that a Wisconsin manufacturer was making a spirited canvass for the position and Mr. Dougherty therefore refused to be drawn in the contest. He was asked to become a vice-president of the U. S. Chamber but refused on the ground that his company demanded his attention and he would be unable to give the position sufficient time.

S. F. Clabaugh, president, Protective Life of Birmingham, Ala., was reelected a director to represent the fourth geographical district. Philip J. Fay of Nichols & Fay, insurance brokers of San Francisco, was reelected as a vice-president of the chamber.

Ira Homer, district manager State Life of Indiana in Los Angeles since 1922, died at his home in that city there, following an illness of several months. He was one of the State Life's leading personal producers.

### Herzberg Agency Again Wins Campaign for Klingmann

NEW YORK, May 6.—The Milton Herzberg agency of the greater New York department of the Equitable Life of New York won the campaign in honor of Vice-president W. W. Klingman from April 1-16. M. J. Friendman of the Herzberg agency was the individual leading agent.

Scores were on a point basis, each case counting for one point, while cases submitted with binders, on which special emphasis was placed, got an additional two points. A total of 3,789 was scored in the campaign. The Herzberg agency accounted for 335 points while the Samuel Karsch office was second with 285 points. Runner-up to Mr. Friedman, who as individual high scorer obtained 56 points, was Miss Ethel K. Thompson, Peacock agency, with 44 points. This was the second consecutive year that Mr. Friedman has won the campaign in honor of Mr. Klingman.

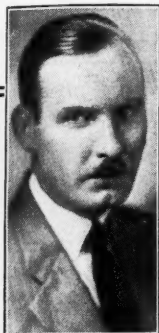
To Mr. Friedman went the privilege of presenting the results to Vice-president Klingman. Mr. Friedman wrote 30 applications, 26 of which were on binders.

The contest was largely responsible for \$17,000,000 total business for the greater New York department for April, which constituted a 55 percent gain over April, 1936. The T. M. Riehle agency led in volume for the month, with the A. V. Ott agency in second place.

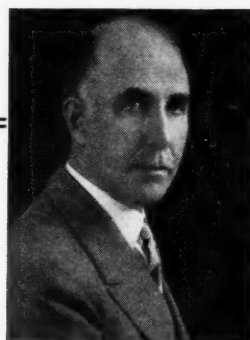
### Manhattan's Ohio Appointments

Manhattan Life announces three new general agency appointments in Ohio, they being: Fred C. Williams, Springfield; A. E. Weidner, Lancaster, and D. H. Shulan, Canton. Mr. Williams has been with Lincoln National since 1929. Mr. Weidner has been with New York Life since 1935 and Mr. Shulan with Prudential since 1932.





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San Francisco



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Associate Editor



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G. C. Roeding  
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W. A. Scanlon  
Chicago



W. J. Smyth  
Philadelphia



O. E. Schwartz  
Chicago



R. W. Landstrom  
Chicago

## These Men Are In a Contest

From now until June 7 the regular sales organization of The National Underwriter will be engaged in a special contest, the purpose of which is to bring the subscription list of the salesmanship section of the Diamond Life Bulletins up to a new high point.

Most National Underwriter readers have met and are familiar with at least some of the men who are pictured on this page. They call regularly upon life insurance men, and as a consequence are familiar with the problems and objectives of life insurance men throughout the country.

During the contest you will undoubtedly be called upon by The National Underwriter man in your territory if you are not at the present time taking the salesmanship section of the Diamond Life Bulletins. When The National Underwriter man in your section calls upon you, listen to what he has to say. He will have an interesting story to tell you.



J. I. Edwards  
Indianapolis



E. H. Fredrikson  
Chicago



W. H. Willis  
Cincinnati



F. B. Humphrey  
Dallas



For his 20 years of growing up  
... she'd need money every month

**D**URING those important years ahead . . . till your youngsters are grown and educated . . . you intend to see to it that your family wants for nothing. Every father makes that silent promise. But would your promise be kept if you were not here? If they had to face the future alone—without your pay-checks?

**YOU CAN LEAVE**  
your family a sure income of  
**\$100 EVERY MONTH**  
If you're earning \$45  
a week or more

Protection, makes this possible. It is far less expensive and far better suited to the actual needs of your family than old forms of life insurance. Multiple Protection is sponsored by The Union Central Life Insurance Company, a 70-year-old institution with over a billion dollars of insurance in force, offering all approved life plans. Full details about Multiple Protection are given in an easy-to-read booklet.

TO THOUSANDS OF YOUNG FATHERS who promise themselves that their families will want for nothing, this current Union Central advertisement presents a striking idea.

It emphasizes the greatest need of the average family: *money every month* . . . until the children are grown and able to take care of themselves. And then it explains how any father, if he earns \$45 a week or more, can make certain that his family would have \$100 every month for twenty years after his death. And that there would be, after that time, a generous fund to take care of his wife as long as she lives.

That this form of life insurance—called Multiple Protection—meets a widespread need is best demonstrated by one simple fact: Union Central writes all approved life plans; yet, during the past twelve months, more than one-third of the Company's business has been on the Multiple Protection Plan.

## The UNION CENTRAL Life Insurance Company CINCINNATI, OHIO

For 70 years the Union Central has enjoyed steady, healthy growth, its assets today having reached a peak of \$343,035,516.25.

### Set Deadline for Filing Illinois Code Amendments

#### PROMISE ACTION TUESDAY

Proposal to Reduce Maximum Policy  
Loan Interest Is Rejected by  
House Insurance Committee

SPRINGFIELD, ILL., May 6.—Representative Fitzgerald, chairman of the house insurance committee, announces that the committee next Tuesday will definitely report out the insurance code bill, with the recommendation that it does pass, or no recommendation at all. The announcement was made following a brief committee hearing Tuesday afternoon during which the committee rejected, by a vote of 20 to 17, the amendment of Representative Haleck, which would have reduced interest rates on life insurance policy loans from 6 to 4 percent in 3 percent reserve companies, and to 4½ percent on 3½ percent companies.

Two speakers appeared, William Lateer, Peoria, president Illinois Association of Life Underwriters, urged defeat of the amendment, while H. A. Davis, of Chicago, who has been something of a disturber in life insurance, urged its adoption.

Fitzgerald announced that all amendments to be considered for the code at the next committee session must be turned into Director of Insurance Palmer by this Friday night.

The equalization amendment would provide for refunds to beneficiaries of excess amounts on high cost policies if the holders died before the policies were matured.

#### No Deep Seated Opposition

The hitch that developed last week in action upon the Illinois insurance code by the house insurance committee is not regarded by observers as reflecting deep-seated opposition to the bill. Apparently some of the members resented the manner in which the chairman of the committee handled a controversial life insurance amendment. Some of the members seemingly felt that "railroading" tactics were being employed and they refused to vote for the motion recommending that the bill pass. When this situation developed, adjournment was taken until this week, without voting the code out of committee. Subsequently some diplomacy was employed and observers believe that next week favorable action will be taken by the committee.

#### Interest Rate Amendment

The amendment that caused the trouble was that fixing the maximum interest rate which life companies might charge upon policy loans to 4½ percent on the part of 3½ percent reserve companies and 4 percent on the part of 4 percent reserve companies. The prevailing practice is to charge 6 percent interest. A few companies charge 5½.

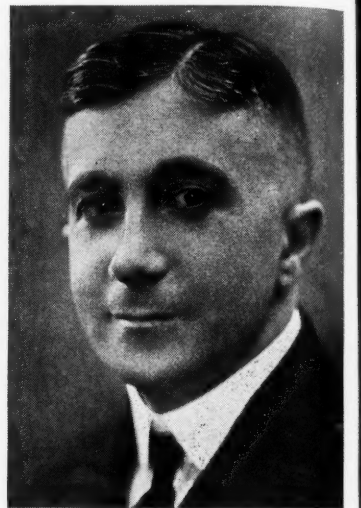
At a committee hearing the previous day, this amendment was tabled. The author brought it up again the second day. The vote at that time was 14 to 14. Several other members endeavored to vote at the last minute but the chairman ordered the amendment tabled. Then when the motion that the bill be reported out with a recommendation that it pass came up, only a few voted for it. Others refused to vote because they resented the chairman's tactics.

The author of the amendment has announced that if he can't get consideration or if his amendment is not adopted by the committee he will introduce it from the floor.

Insurance Director Palmer has expressed opposition to the amendment. He takes the position that if the interest rate on policy loans is reduced, such borrowings will be encouraged.

Due to the intense interest in the situation surrounding this amendment, the London Lloyds amendment, which was expected to have produced fireworks, did

### Prominent Agent of the Mutual Benefit Is Dead



ALBERT P. STELER, Detroit

Albert P. Steler, nationally known life man and member of the Detroit agency of the Mutual Benefit Life for 22 years, died Saturday. He had been ill for several months.

Mr. Steler was one of the company's leading producers—particularly in number of lives each year. In nine different years he insured more lives than any other Mutual Benefit representative. In 1928 and 1933 he was a member of the Million Club. He received an award in December, 1935, making 20 years of consecutive weekly production, an achievement equalled then by only six other Mutual Benefit men.

For many years Mr. Steler regularly scheduled six to 15 calls a day, both in the interests of new business and in service to clients. At the time of his death he had more than 4,000 policyholders on his books with insurance totalling more than \$13,000,000. He prided himself as well on the character as on the number of people he had served.

Born in Eureka, Nev., in 1885, Mr. Steler was educated in Denver and in 1915 entered the life insurance business there with the Mutual Benefit. The following year he moved to Detroit, where as a total stranger, he laid the foundation for success in his life insurance career. He was unmarried and is survived by a sister, Mrs. Frances Rosenblatt, who is also a member of the Mutual Benefit's Detroit agency.

#### Sentence Mail Operator

LAKE CHARLES, LA., May 6.—C. E. Hill, Houston, Tex., was sentenced to serve three years in prison by Federal Judge Dawkins on charges of using the mails to defraud in operation of an alleged bogus insurance company. Hill pleaded guilty. He operated the Southern Life Club from a Lake Charles office in 1934, but sold all "policies" outside of Louisiana. Government authorities charged that he refused no applicants and paid no benefits. In a statement to the court, Hill admitted he paid "not a dollar" in benefits. Among 411 "memberships" which the government records showed were in the club, 29 were of persons from 80 to 85 years old.

#### Urge National Meet Attendance

The Midland Mutual Life has launched a three months campaign. The suggestion has been made agents use their prize money to attend the National Life Underwriters Association convention in Denver in August.

not get much attention. Lloyds has been seeking a modification of the code requirements confronting them. The committee by a large majority rejected the amendment.



## "Challenge" of Institution's Critics Not Modern Idea

### ONLY OLD VIEW REVAMPED

Yearly Renewable Term Proposal Tried, Found Disastrous, Canadian C. L. U. States in Article

History has a habit of repeating itself, those who "challenge" permanent legal reserve life insurance containing an investment element, merely echoing a fallacious idea that harks back many years in the history of life insurance. E. N. Jory, Toronto agent Great-West Life and registrar Institute of Chartered Life Underwriters there, states in an article in "Life Underwriters News," published by the Life Underwriters Association of Canada, Toronto. Thus the "new idea" of writing one year renewable term for the whole of life in place of the level premium plan is anything but new. Mr. Jory draws the conclusion that if there were any substance to the proposal it long since would have become widely adopted.

#### Tried Many Years Ago

He points out that it is nothing more nor less than the method which was used by various associations and fraternal 30 years or more ago and since has been abandoned in favor of the legal reserve level premium plan because of financial difficulties that arose. Mr. Jory says the idea goes back as far as the Eastern Order of United Workmen in Pennsylvania, 1868; literally thousands of such organizations springing into existence, flourishing for some years until the inevitable difficulties came along, and then either reorganized on level premium legal reserve basis or failed.

They paid claims in full amounting to many billions of dollars while the memberships were comparatively young, but as the average attained age rose difficulties ensued and serious reductions were made in certificate values. In the inevitable liquidation that followed hundreds of thousands of certificate holders, because of inability to pay the greatly increased premium at attained ages, or because of acquired physical impairment, were left with no protection, Mr. Jory stated.

#### Says It Is Fine Theory

"Theoretically the system is sound," he writes, "but practically it has never worked and will always fail because those members who remain healthy refuse to continue to 'cooperate.' They withdraw as the rates increase with increasing age, while those who have become unhealthy and uninsurable complain bitterly but continue as long as they or prospective beneficiaries can dig up the increasing premiums. The result is excessive death rate for which the quoted premium based on normal past experience proves to be inadequate, and ultimately insolvency comes."

He says nearly 200 years of life insurance experience shows the level premium system the only practical plan for the whole of life.

#### Based on Cooperation

"The whole matter becomes simple when it is realized that no member's claim is met by his individual premium and individual accumulation. He cannot have life insurance as an individual; he can have it only as a member of a great cooperative group. It is lack of a real appreciation of the fundamental fact that misleads the advocates of the one year renewable term system of life insurance into making all their arguments and illustrations as for a single life."

He cited the experience of the Mutual Reserve Fund Life Association of New York which sailed along for 15 years, having in force Dec. 31, 1895, 105,858 certificates for \$308,659,371 insurance, 9,645 certificates for nearly \$23,000,000 being Canadian business. Disintegration began. The association was reincorporated in 1900 as a legal reserve company, at

## Heads Mortgage Bureau of Nashville Company



CECIL WOOD

Cecil Wood has been appointed manager of the mortgage loan department of the National Life & Accident. He has been in the life insurance business in Nashville since 1922. He is past president of the Nashville Association of Life Underwriters and is a director of that organization. There will be no change in office personnel.

Mr. Woods began life insurance work in Shelbyville, Tenn., in 1921. He moved to Nashville in 1922. He has been with Bankers Life of Iowa 16 years and was made manager of its Tennessee agency in 1922. He made the million dollar club in 1928 and led the entire field force of his company for two years, 1928-1930, in personal production.

His agency has always ranked well in company standing. The Tennessee agency was awarded the Grand Sweepstakes Cup for 1936 as the outstanding agency of the company. This cup is based on both conservation of old business and increase in new written business.

He has been serving for a year as chairman of the managers' executive committee of the Bankers Life.

He served for two years as president of Nashville Association of Life Underwriters, the largest association in the south. Last year he was a member of the law and legislative committee of National association. He is now chairman of law and legislation committee of Tennessee association and a director.

Mr. Woods was one of the organizers of the Tennessee Hereford Cattle Breeders Association and for three years was its president. He was one of the organizers of Tennessee Horseman's Association and is now its president.

the end of 1906 having in force 49,418 certificates for \$80,407,420, a huge depreciation. In 1907 liquidation was begun, no company offering to reinsure the business. All insurance benefits were canceled, policyholders' claims on funds being simply for their individual policy reserves, these being admitted for \$333,254. After liquidation costs were met out of realized assets, policyholders received 84¼ percent of their claims or \$280,758, Mr. Jory commented.

Arthur Emery, Dallas general agent Manhattan Life, died at the age of 66 from a heart attack. He entered the business in 1890 and had retired recently due to ill health. He was active in civic and church affairs and was a pioneer Dallas resident. In 1931 he had charge of solicitation of Dallas and Texas insurance people during the community chest campaign.

## Responsibility

Claim and other payments by an insurance organization are important only in that they reflect the stability, character and responsibility of the institution.

Since inception the Continental Companies have paid in excess of 155 millions to policyholders and their beneficiaries, involving more than 2 million individual payments.

Of this amount, more than one-third was paid during the past six years . . . a concrete demonstration of the dependable service and uncompromising sense of responsibility that back every policy issued by this outstanding, nationally prominent Chicago institution.

# Continental

## ASSURANCE COMPANY

CHICAGO, ILLINOIS

*Affiliated with*

## CONTINENTAL CASUALTY COMPANY

### Oklahoma Senators Ask Ouster of S. W. Philpott

In the midst of a legislative investigation of the Oklahoma Insurance Board, a round robin signed by 26 of the 44 senators was handed to Governor Marland demanding the removal as secretary of the board of S. W. Philpott and the appointment in his place of some "competent" person. The committee had not completed its investigation nor submitted a report when the senators took the matters in their own hands.

Mr. Philpott and Commissioner Read, who is also a member of the board, had been at each other's throats for the last several years. There has been a running feud between them.

Three years ago Mr. Philpott contested the Democratic nomination with Mr. Read. Mr. Philpott was defeated and shortly after was appointed secre-

tary of the board. Since then he has been much in the public eye. He has initiated several movements, obtained considerable publicity and has clashed frequently with Mr. Read.

The expectation has been that Mr. Philpott would seek the nomination for commissioner again next year. The fight between Mr. Philpott and Mr. Read has divided the insurance people of the state into two camps. Some have lined up for one and some for the other.

The new appointee must be confirmed by the senate. Mr. Philpott was quoted as being surprised and indignant at the action of the 26 senators. "It is like a jury reaching a verdict before the case has been tried," Mr. Philpott was quoted as saying.

J. D. Shafer has become manager of the Life of Virginia at Dayton, O., succeeding W. H. Gerdes. He has been agency assistant of a company at Dayton and at one time was in a box manufacturing company. He is a graduate of Miami University, Oxford, O.

### Nebraska Ban on Blanket Policy to Cover Borrowers

LINCOLN, NEB., May 6.—J. S. Logan, attorney for the Nebraska department, has advised Director Smrha that he refuse approval of a policy presented by the Aetna Life, which it desires to offer for sale in Nebraska to banks operating personal loan service and to finance companies. The policy insures up to a maximum of \$1,000 the lives of persons indebted to a creditor in its personal loan department. The policy is blanket in form, and provides that all new debtors are eligible, but it is not effective unless in the 12 months preceding 100 new lives have been added. It calls for an initial average premium of \$1 a month for each \$1,000, and carries a complete table of rates for each nearest birthday, beginning with 64 cents a month for the 14-16 year group and increasing to 85 cents at 40, \$1.35 at 50, and \$2.69 at 60 years. The company is to pay off the balance due at the time of death, with no further obligation of payment resting on the debtor's estate or family or co-signer.

Mr. Logan cites a section of the statute which says that "no policy or agreement for insurance shall be issued upon the life or health of another or against loss by disablement by accident except upon the application of the person insured."

In 1929 the department disapproved a similar policy on the ground that the relation of employer and employee did not exist.

### Assessment Company Changes

SAN FRANCISCO, May 6.—Eureka Mutual Life & Benefit Association, organized in 1928, has changed its name to Independence Life. It will operate as a Chapter nine assessment company with the same officers, headed by C. F. Parr, president.

Mt. Moriah Mutual Life, organized in 1931 as a Chapter nine company, has been sold to unannounced interests.

United Aid Life Association, organized in 1929 with headquarters in Sacramento, is moving its head offices to San Francisco.

### Ohio Warning Is Issued

The Ohio state director of commerce has asked the public to cooperate with the insurance department by not purchasing policies in unlicensed companies, disclosing the fact that unauthorized companies are attempting to sell different sorts of insurance in the state.

### Interesting Plan Being Carried on by Franklin Life

Agents of the Franklin Life, Springfield, Ill., are striving for the goal of 25 interviews during this week. The company is offering 100 novelty advertisements in the form of Franklin pins or ash trays to every agent who attains the goal; 200 trays to every man who reports 30 interviews. An interview is defined as a full presentation of a policy plan to a genuine prospect, including at least one attempt to close. Written reports of interviews, number of applications taken and amounts written, will be scanned and approved by general agents before being sent to the home office.

Primary purpose of interview week is two-fold: New names for Life Insurance Week prospect files obtained during interviews, and new business. The company is almost as much interested in finding out what proportion of interviews are resulting in sales at the present time, and what the amount of new business per interview may be.

### Union Central Meeting

At an agency meeting of the Union Central in Philadelphia which over 35 attended, Superintendent W. F. Hanselman acted as chairman and introduced Vice-president Jerome Clark. A number of agency members made brief talks. Ralph Humphreys, general supervisor, suggested that the agency designate May "Hamilton Month." The idea was welcomed and amplified by E. E. Plumley, manager of the Camden unit; P. B. Leinbach, Reading manager; H. P. Burke, J. S. Boyd and Ralph Henshaw. Mr. Burke hit upon a happy phrase. "This campaign is being held during the month of May," he said, "but we can't call it 'Hamilton May'—I suggest we designate it 'Hamilton Will.'"

Col. H. S. Fuller, 72, formerly Milwaukee general agent of the Northwestern Mutual Life; died Sunday in Pasadena, Cal. His father, S. L. Fuller, was Milwaukee general agent of the old Washington Life from 1870 to 1903, when Harry Fuller succeeded him. When the Washington Life was absorbed by an eastern company in 1905, he joined the Northwestern Mutual as a special agent under Murphy & Surles, then general agents in Milwaukee. In 1907 he was appointed home office general agent and continued until 1919 when he was succeeded by C. L. McMillen.

## THE WEEK IN INSURANCE

Powerful arguments against prevalent belief of laymen that policy loan interest rate is too high are marshaled in memorandum prepared for Illinois Association of Life Underwriters. **Page 1**

Continuous improvement must be yardstick of educational work, says Metropolitan Life man at Sales Research Bureau school. **Page 1**

W. M. Lateer of Peoria, Ill., elected president Illinois Association of Life Underwriters at annual meeting in Aurora; Wright and Wilson endorsed for national trustees. **Page 1**

Uniformity in state insurance laws, proper discharge of responsibilities to public by life insurance people, needed to check trend to government control of business, Assistant Director Davis of Illinois tells state sales congress at Aurora, Ill. **Page 3**

Henry Bruere, president Bowery Savings Bank, New York City, urges a 10-man commission for study of the railroad problem to obtain definite action. **Page 3**

Legislative investigation of the insurance business in Colorado develops into a bitter battle between the chairman of

the insurance committee and President S. B. Lacy of the Colorado Life. **Page 4**

Program for annual meeting of Industrial Insurers Conference is announced. **Page 4**

House insurance committee promises to take definite action on Illinois insurance code bill next Tuesday. **Page 8**

Life insurance critics "challenge" based on yearly renewable term theory tried 50 years ago and found disastrous, E. N. Jory, C. L. U., Toronto agent, relates. **Page 9**

Harry Gardiner, New York City general agent John Hancock, honored at testimonial banquet as retiring president of New York City Life Managers Association. **Page 2**

Figures for life insurance in Illinois last year are given by the insurance department. **Page 13**

H. N. Hamilton, assistant agency superintendent Union Central, becomes its Philadelphia manager. **Page 13**

State Mutual of Georgia reinsurance deal held up until May 14 by restraining order secured by policyholders' group. **Page 16**

## THE DESTINY OF A NAME

Names are symbolic. Life Insurance Companies have always chosen titles which sought to interpret their ideals. Organized in March 1909, the Great Southern Life Insurance Company has, through the intervening twenty-eight years, justified the hopes and ambitions of those men who chose its official name.

A GREAT Company in the impregnability of its financial structure, firmly founded on the responsibility of stewardship;

A SOUTHERN Company in its operations, providing protection to the people of the Southwest, and providing funds for the enlarging of their opportunities to live happily and to work profitably; and

A LIFE INSURANCE Company in its capacity to insure every life contingency with both Participating and Non-Participating contracts.

It follows that a GREAT SOUTHERNER must take on added stature among his prospects. If you would represent such a Company, under a contract direct with the Home Office, we invite correspondence.



## Great Southern Life Insurance Company

E. P. Greenwood, President

Home Office - Houston, Texas



## Brotherly Love City Is Seat of Insurance Union

PHILADELPHIA, May 6.—The Committee for Industrial Organization, through its Insurance Guild of America, now is embarked upon a drive to organize "all workers in the insurance field—ordinary and industrial life men, fire and casualty—inside and out and from top to bottom."

At the first "open" meeting of the union here Sunday night the CIO stated if any insurer fires any union man because of discrimination, "it will be fought by every union man. We will even go to the Supreme Court if we have to."

After the meeting, temporary heads of the union said the CIO had started its "invasion" of the insurance business the first of the year. Its aim is to bring into the guild employees, clerical and field forces, of every type of insurer. Later it intends to form subdivisions.

### Clerks and Stenographers

Clerks and stenographers now are said to be members of the Stenographers' Union of the American Federation of Labor but the guild leaders said they would leave the AFL and join the guild later.

The guild was organized in Philadelphia by four agents, an attorney and a CIO organizer. They are: Meyer Lieberman, Bankers National Life, temporary chairman of the meetings; Joseph Hoffman, Bankers National Life, temporary secretary; E. C. Schmid, one-time Metropolitan Life agent but now a broker; George Goldberg, broker; Samuel Packman, attorney for the union, and Joseph Kres, CIO organizer and editor of the "People's Press." Kres formerly was an assistant manager of the Sun Life of Baltimore at Washington.

The organizers said the guild had several hundred members but the turnout numbered about 90 Sunday night and only a few appeared to be members. Almost all in attendance were industrial life agents.

### Objectives Are Listed

In the application blank, the guild lists these objectives: lapse charge relief; fair collection salary; more leisure time; security in your job; seniority rights; participation in drafting your new contracts, and not mere passive acquiescence to them; increase in commissions; elimination of cut-throat and humiliating competition; proper security for old age; a better understanding and enlightened relations with the public at large; minimum salary or wage, so as to maintain a proper standard of living; elimination of discriminatory tactics by the officials.

Dr. Jesse H. Holmes of Swarthmore College and several officers of the Newspapermen's Guild had been advertised to speak but they all failed to put in an appearance. Those who did speak seemed unfamiliar with insurance except for a few phases of industrial insurance.

### Speaker Is Confused

When a member of the audience asked Kres whether "membership in the underwriters' association" barred one from joining the guild, Kres, although once in the life business, frankly admitted that he knew nothing of the association, despite the fact that it was obvious the questioner meant the life underwriters association. His closing remark to the question was: "Thanks for the tip, though, brother."

Guild organizers said that "Schuylkill county and other up-state counties are flooded with unions," organized under other channels and not affiliated with either the CIO or the AFL. But these unions, it turned out, are local agents' associations.

There are no initiation fees and the dues are \$1 a month. The remarks were

keyed to industrial agents. The guild meets each Monday night.

Packman, the final speaker, declared: "When the agents hear of two or three offices striking, you'll see them marching into the guild."

### Attacks Life Companies

The life companies were attacked for violating every law on the statute books; for forcing industrial agents to pay excess, and for countenancing, if not forcing, rebating. There was much talk of spies and company officials being present and the statement was made that some managers and assistant managers were outside taking down the names of all those attending. The speakers told the audience to stand up for their rights; that the Wagner act gave them the right to organize and if they were fired because of their union affiliations, it would be just "too bad" for the companies.

Packman compared the insurance agent, even though he wears a white collar, with the worker in an industrial plant. "They are just the same. Both get paid piece work." Assistant managers or managers, he said, can join the guild but cannot take any part in the activities "until they are demoted."

### WISCONSIN UNIONISTS BUSY

MILWAUKEE, May 6.—Organization work by Office Workers' Federal Union Milwaukee local among employees of insurance companies, banks and other big establishments employing large number of stenographers, typists and bookkeepers, has been stimulated since the U. S. Supreme Court recently upheld the constitutionality of the Wagner labor act. The union has called several meetings of employees of the Old Line Life of Milwaukee and of the Northwestern Mutual Life, to organize these office workers and to seek recognition of the union as bargaining agency. In addition to the financial institutions, this effort is also being extended to office workers in breweries, dairies and other large commercial establishments.

To date no demands have been made upon the companies by any organizations of their workers. Neither company has had a company union, but since the outside union started organizing, employees of both companies have started independent unions.

Interest among insurance company workers in the outside union appears to be waning while the independent union movement seems to be gaining. The Independent Union of Northwestern Mutual Employees has filed incorporation papers with the Wisconsin secretary of state at Madison. The incorporators are William R. Schweitzer, Charles A. Sherman, Jr., and Gilbert C. Koehler.

So far as the Northwestern Mutual is concerned the effort to unionize employees has evidently petered out as the workers showed good sense and realized an office of this character should not be subject to trade union regulation.

### CINCINNATI UNION CHARTERED

CINCINNATI, May 6.—Lester Marshall, president Industrial Insurance Agents Union, Cincinnati, announces that the organization has received from American Federation of Labor the first federal charter granted to any similar union in the United States. The union has heretofore been operating as an affiliate of the Retail Clerks International Protective Association. Granting of the charter followed two months of organization work and the union now has 200 Cincinnati members, Mr. Marshall said. The drive resulted in the union obtaining a majority membership in one major company. At present the union's charter does not permit it to organize other local groups.

### More Space Taken

Office space of the district headquarters of the Mutual Benefit Health & Accident and the United Benefit Life at Aurora, Ill., has been doubled. C. J. Martner, manager, has charge of 10 northeastern Illinois counties. The

business in this district has increased 35 percent over that of the same period last year.

### Report on Conservation

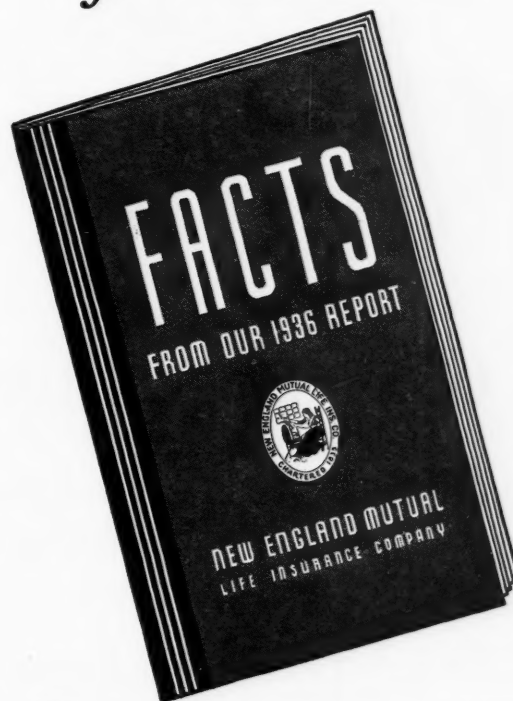
There has been much interest in the publication of "Conservation in All Its Phases" that was put out in mimeographed form by the Canada Life Insurance Conservation Association. This is regarded as a very excellent document and gives an epitome of what has been done by the Canadian companies. J. P. Devenny of the Mutual Life of Canada is president; W. C. S. Henderson of the London Life and F. L. Allen,

North American Life of Canada, vice-presidents, and the secretary is R. C. Sabiston of the Manufacturers Life. Any inquiries regarding the Conservation Association's report can be addressed to Mr. Sabiston, care of Manufacturers Life Insurance Company, 200 Bloor street, E., Toronto, Ont.

### Embry in New Quarters

The A. M. Embry agency of the Equitable Life of New York in Kansas City is moving its offices to the Federal Reserve Bank building. The agency paid for \$1,625,000 business in April, a 25 percent increase.

## A NEW EDITION of "FACTS"



THE 1937 edition of this booklet, published annually, contains a synopsis of interesting facts from our latest Annual Report, questions and answers on the financial stability of the company, and a brief summary of the various forms of protection available through insurance and annuities in the New England Mutual. A copy of this booklet will be sent to you on request. Please address Department J.

## NEW ENGLAND MUTUAL Life Insurance Co. of BOSTON

GEORGE WILLARD SMITH, President

Oldest Chartered Life Insurance Company in America

THE FIRST MUTUAL, 1835

AGENCIES IN 38 STATES FROM COAST TO COAST

## LEGISLATIVE ● DIGEST ●

**Nebraska**—The bill of Senator Thomas, president of the World of Omaha, enlarging the field of investments for domestic insurance companies, was advanced to third reading without opposition. Mr. Thomas said that under present investment law conditions domestic companies were finding it difficult to secure investments with a return equal to their reserve obligations of 3 and 3.5 percent, and that this bill would put them on an equality with foreign competitors in the field.

**Iowa**—Bills passed permitting life companies to invest in FHA securities; prohibiting life companies to loan money on own stock or on that of any other

life company; and reducing mortgage security from double to one and two-thirds.

**Oklahoma**—A revised retaliatory law has been signed by the governor.

**Ohio**—The legislature has adjourned. The following bills were passed: Permitting the mutualization of life companies; providing for the rehabilitation of life companies; permitting fraternal to write little children and increasing protection for children; making fraternal benefits payable to estates when advisable.

**Colorado**—The anti-twisting bill has been passed in amended form. It was backed by a large number of life insurance men. The amendment provides that in cases of misrepresentation, the offender must prove his innocence provided money or other valuable considerations are involved. The governor's approval is considered almost certain.



## ENCOURAGE THIS IDEAL

Young married folk do well to consider the importance of life insurance protection.

It is a vital necessity in their plans for security in the future.

*You will do well to consider these young married couples.*



**The Prudential**  
Insurance Company of America

EDWARD D DUFFIELD, President

Home Office - Newark, New Jersey

## Unlawful Practice of Law Committee Meet Postponed

NEW YORK, May 6.—The special committee on the unlawful practice of law which was appointed by the International Association of Insurance Counsel was to have held its first meeting in New York April 18 but it was postponed and a new date has not been set. The committee will undertake to work out some formula for operations of insurance adjusters with the idea of avoiding if possible further conflict between adjusters and lawyers. The committee consists of three attorneys, three representatives of mutual companies and three of stock companies.

The stock company members are: R. N. Caverly, Fidelity & Casualty; Allan Brosmith, Travelers, and O. R. Beckwith, Aetna Life. The mutual representatives are Ambrose Kelly, American Mutual Alliance, R. G. Rowe, Lumbermen's Mutual Casualty, and J. W. Cronin, Liberty Mutual. H. S. Knight of Syracuse, N. Y., secretary American Bar Association, is chairman. The other attorneys are Oscar J. Brown and Edwin F. Smith.

Most of the measures that were introduced in the current legislatures to curb the activities of lay adjusters have been defeated or side-tracked. In New York a procedural bill has been signed by the governor. This gives the state supreme court the power to punish through contempt action any one guilty of unauthorized practice of law. However, there is no change in the statute defining the law business. An important question is the power to punish for contempt any one who is not before the court in a pending action.

## FRA Man to Equitable

MILWAUKEE May 6.—R. I. Nowell, regional director of the Resettlement Administration for Region 2, which includes Michigan, Wisconsin and Minnesota, has resigned to join the home office of the Equitable Life of New York in its farm investment department. Before entering federal service, Mr. Nowell was on the faculty of the University of Illinois, College of Agriculture. He holds a master's degree in farm management from that university. Mr. Nowell was economist with the federal farm board and served with the land economics section of the bureau of agriculture economics. Later he was regional director for the land policy section of the Agricultural Adjustment Administration. He is widely known as an expert and writer on land use problems, and co-author of the book, "A Program of Land Use for Minnesota." He has been with the Resettlement Administration since its organization in June, 1935, at Madison, Wis., and since June, 1936, in Milwaukee. Mr. Nowell will be concerned primarily with resettlement work and retirement of "bad" lands, such as the acquisition of new resettlement farmers from poor areas on productive farms.

## Connecticut General Club

The Connecticut General Club of the Connecticut General Life elected R. B. Wilcox president at its annual meeting. President F. B. Wilde and Vice-president F. H. Haviland representing the officers and R. C. Bevan, assistant manager of the Providence office, were speakers.

## Agency Is Moved

The Des Moines agency of Columbian National Life is undergoing expansion in personnel and in territory, and has moved to the 12th floor of the Capital Theater building. A. A. McFall, vice-president, and T. E. Allen, superintendent of agencies, superintended the changes. The Des Moines office comprises the entire western half of Iowa. Ralph DeMaris is general agent.

More money with accident. Read Accident & Health Review for details. \$2 a year. 175 W. Jackson, Chicago.

## RECORDS

**Union Mutual Life, Maine**—Reports gain in paid business for the first quarter of 55 percent. Each of the three months has shown a gain—January 8 percent, February 110 percent and March 66 percent.

**Bankers Life, Iowa**—New paid-for business for the first four months was \$20,538,951, a gain of more than 22 percent as compared with 1936. April was 40 percent better than April of last year, with a total of \$5,562,411, the best April since 1931.

**Northwestern National**—April sales were the largest of any April on record. Total volume was \$7,094,116, while regular business, excluding group, amounted to \$6,500,416, also a new April record. Practically every agency shared in the month's substantial increase over a year ago.

**Capitol Life**—April production showed 73½ percent increase and for the first four months, 45 percent.

**Provident Life & Accident**—All-life life department production records again tumbled when final figures for April showed that a new set of highs had been established for new business. That received exceeded the all-time previous high by more than \$234,000; and the paid-for by over \$146,000. Incidentally, the previous highs in these respects were established during March of this year.

**Hays, Hudson & Bradstreet**, New England Mutual Life, Los Angeles—Increase of 30 percent in paid production up to May 1.

**Frank M. Branch**, Occidental Life, Los Angeles—From March 1 to April 10 495 applications for \$1,225,651 life insurance and 346 applications for accident and health were written in the "Spell Out Branch" contest honoring Manager Branch. In the drive 113 members of the agency produced one or more applications, and 44 agents wrote at least six. Raymond Frazier led the agency with 40 applications.

**Nels J. Nelson**, Reliance Life, San Francisco—Four month increase of \$441,386 in new paid business; an increase of 141 applications; an increase of \$699 in accident and health premiums and an increase of \$11,359 in single premiums and annuities.

**Ben Tolmich**, Continental Assurance, Detroit—During February-April, when Detroit was unsettled by sit-down strikes, a 23 percent increase in new business was made compared to the same period of 1936. F. H. Behan, former agency secretary Continental Assurance, at the home office, is supervisor for Mr. Tolmich.

**Earl M. Schwemm**, manager Great-West Life, Chicago—Office led all agencies for placed business in April for the second consecutive month, also placing first in March. Mr. Schwemm completed his first year with the Great-West May 1, the Chicago agents in a one-day drive turning in 25 applications totaling \$125,000.

## Project Coast Life-Trust Parley

SAN FRANCISCO, May 6.—Steps looking toward formation of the Pacific Coast's first life insurance-trust council were taken Wednesday by William R. Spinney and the trust adviser of the Anglo-California National Bank for developing common interests of agents and trust men similar to those in Boston and eastern centers.

## End Connecticut Mutual School

A banquet was held in Hartford Friday honoring 30 graduates of the three weeks' training school of the Connecticut Mutual. The speakers were P. M. Fraser, vice-president, and H. M. Holderness, vice-president in charge of agencies. W. C. Shouldice, Jr., of Rutland, Vt., president, Judson Loupot of Dallas, vice-president and R. B. Carlisle, Detroit, secretary and treasurer of the graduating class, spoke.

**J. E. Conklin**, Equitable of New York, has been elected president of the Hutchinson (Kan.) Rotary Club.



## Life Insurance in Illinois for the Last Year

The Illinois department in reporting on life insurance in its state last year showed that the Illinois legal reserve companies wrote in new ordinary business last year \$87,319,615 and industrial \$22,998,342. The have \$502,781,025 ordinary in force and \$28,421,413 industrial. The legal reserve companies of other states wrote in new ordinary business \$842,752,778 and industrial \$272,730,643. There is \$6,395,238,290 ordinary in force and \$1,283,476,857 industrial. The foreign companies wrote in new business \$26,199,845 ordinary and have in force \$175,083,145. The total amount of new ordinary business written in Illinois last year was \$956,272,238 ordinary and \$293,728,985 industrial. There is \$7,073,102,460 ordinary in force and \$1,311,898,270 industrial. The aggregate new business therefor was \$1,252,001,223. The amount in force is \$8,385,000,730.

The Illinois leaders or those writing more than \$1,000,000 of new business in the state last year are as follows:

### Illinois Companies

	New Bus.	In Force
Alliance Life...	4,557,337	50,647,930
Amer. Bankers...	5,238,170	11,433,619
Builders Life...	4,377,499	6,137,678
Central Life...	2,031,055	22,377,983
Continental As...	14,157,680	69,230,897
Country Life...	26,198,932	100,133,614
Federal Life...	2,726,419	31,514,735
Franklin Life...	6,037,186	42,689,534
Globe Life...	3,913,676	23,881,853
Hercules Life...	1,204,141	19,689,110
Illinois Bankers...	10,538,369	66,891,713
Mutual Tr. Life...	3,242,620	33,680,569
No. Amer. Life...	2,320,079	9,759,711
State Farm Life...	1,998,924	6,702,342
Supreme Lib. L...	9,812,619	8,310,530
United...	3,709,670	5,157,496
Wash. Natl....	5,075,958	7,311,247

### Other State Companies

Acacia Mut. ...	2,370,107	30,278,861
Aetna Life.....	57,097,149	280,038,976
Amer. Natl. ....	7,844,471	23,195,721
Amer. United...	4,824,477	10,484,845
Bankers L. Ia...	5,665,765	18,271,077
Berkshire Life...	1,368,460	17,974,150
Central L. Ia...	1,537,633	9,583,587
Columb. Natl...	2,032,459	13,842,782
Columbus Mut...	1,006,500	9,805,923
Conn. General...	12,535,184	58,930,927
Conn. Mutual...	6,277,721	69,548,313
Equit. L. N. Y...	91,855,439	580,427,416
Equit. L. Ia...	5,346,881	65,738,883
Fidelity Mut...	1,207,103	12,877,342
Genl. Amer...	6,980,583	41,527,643
Guaranty Mut...	2,520,410	9,077,114
Guaranty Life...	1,023,421	5,582,947
Guardian Life...	2,550,788	20,159,766
Home Life...	2,005,833	22,165,366
Indianapolis L...	2,437,674	22,920,910
J. Hancock Mut...	33,848,917	187,195,847
Kansas City L...	4,426,968	11,562,932
Lincoln Natl...	13,957,626	65,888,235
Mass. Mut. ....	15,138,255	168,944,469
Metropolitan L...	279,064,008	1,704,908,433
Minn. Mutual...	2,638,724	13,425,969
Missouri...	1,380,729	1,320,479
Monumental L...	8,842,228	25,275,203
Mutual Benefit...	9,696,873	140,073,551
Mutual Life...	24,362,578	355,432,353
National L. & A...	9,272,373	20,486,031
Natl. Life, Vt...	2,722,762	30,721,147
N. England Mut...	19,219,600	116,940,133
New York Life...	41,721,539	631,439,562
N. W. Mutual...	28,023,768	398,445,156
N. W. National...	7,617,272	28,752,597
Occidtl. L. Cal...	8,950,338	8,215,111
Penn Mut. Life...	16,532,630	168,833,260
Peoples Life...	1,094,300	3,422,753
Phoenix Mut...	7,671,912	39,201,946
Provident Mut...	6,172,893	47,967,873
Prudential...	202,252,288	1,274,442,952
Reliance Life...	1,983,868	13,189,781
State Mutual...	4,889,976	46,172,370
Travelers...	66,432,571	391,285,014
Union Central...	6,715,511	75,514,037
Union Coop...	1,608,800	21,769,915
Union Labor L...	3,430,954	3,796,968
Unit. Benefit L...	2,047,015	5,910,645
West. & Southn...	22,655,936	77,193,590

### Foreign Companies

Canada Life...	1,071,416	25,793,877
Great-West L...	2,728,638	29,370,047
Manufac. Life...	2,785,691	8,418,461
Sun Life, Can...	19,614,100	111,500,760

### Business Is Divided

Of the companies writing both industrial and ordinary, the American Bankers showed \$378,085 ordinary, Builders Life \$3,704,900, Globe Life \$3,031,765, Washington National \$841,731, American National \$1,434,193, Metropolitan \$73,081,136, Monumental \$1,116,506 Prudential \$98,741,505, Western & Southern \$6,831,304. The figures given in the table are combined industrial and ordinary.

## Philadelphia Manager Named

Assistant Superintendent of Agencies  
H. N. Hamilton of Union Central  
Will Take Charge

H. N. Hamilton, assistant superintendent of agencies, Union Central Life, becomes Philadelphia manager. Mr. Hamilton had been in temporary charge for three months. Last November Mr. Hamilton completed 20 years' service in the Union Central.

The son of a school principal, Mr. Hamilton was born in Urbana, O. He obtained his early schooling in a number of communities, wherever his father happened to be teaching at the time. His high school education was obtained in De Witt Clinton, New York City, and Hughes, Cincinnati, from which he was graduated in 1912. He immediately entered the University of Cincinnati engineering college and graduated in 1916.

Mr. Hamilton entered the home office as assistant manager of the dividend division of the actuarial department, the largest division in the home office, after his graduation. He was promoted to division manager in 1922.

In 1931 he was transferred from the actuarial department and made director of the newly established conservation bureau, in charge of all conservation activities. The post of agency secretary was added to his duties in November, 1932, and he was elected assistant superintendent of agencies the following February.

As assistant superintendent, Mr. Hamilton's duties have been largely concerned with the business management of agency offices. He is the author of a unit cost system for agency operations which is regarded as a model for many organizations. His work in connection with 39 branch offices of the company has likewise given him wide experience in agency sales management.

This reorganization of the Philadelphia agency does not include the Washington agency which is now being maintained as a separate agency on a temporary basis, pending a permanent reorganization.

## W. J. Graham Gets New York Chamber of Commerce Post

NEW YORK, May 6.—William J. Graham, vice-president Equitable Life of New York, was elected chairman of the executive committee New York State Chamber of Commerce at its annual meeting. Mr. Graham had previously served the chamber as chairman of the insurance committee and went from that post to the chairmanship of the executive committee. He has been identified with other leading organizations, having served as president of the American Management Association for several years and more recently president of the Insurance Institute of America.

Succeeding him as chairman of the insurance committee is Chairman E. I. Low of the Home Life of New York. Other members of the insurance committee are B. M. Culver, president America Fore group; Paul L. Haid, president Insurance Executives Association, and C. F. Shallcross, United States manager North British & Mercantile. President L. A. Lincoln, Metropolitan Life, succeeds T. I. Parkinson, president Equitable Life of New York, as member-at-large of the executive committee.

## Advantages of Budgeting

"Why Budget?" was discussed by Harry R. Van Cleve of the John W. Yates agency at Los Angeles for Massachusetts Mutual Life at a breakfast-meeting of the Los Angeles Athletic Club. Family life is the most important business, and business principles of planning, budgeting and cost accounting should be applied to the family partnership. Two reasons for budgeting were

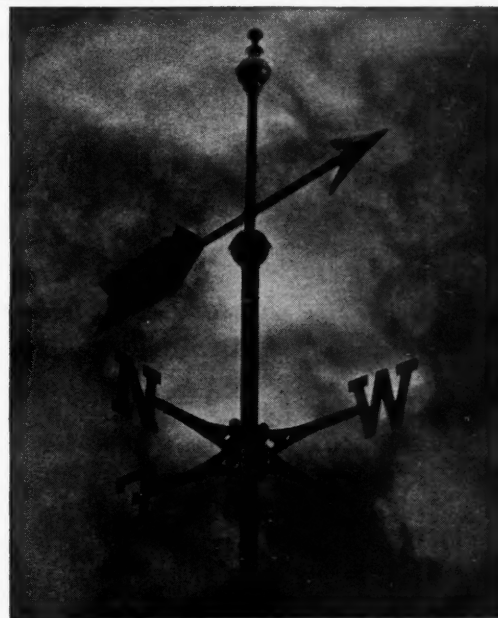
presented—first, to achieve a better and more abundant life today; and, second, to plan a program of saving for a more abundant life tomorrow.

## Tested Spendthrift Clause Being Added by Aetna Life

The Aetna Life is including in all new policies issued a tested spendthrift clause which has stood up in the courts of many states. The clause also will be added to old Aetna policies upon request. The clause is added to the settlement provisions, having the effect of denying the beneficiary privilege of commuting payments and assuring that they cannot be attached by a creditor of the beneficiary. The full text of the clause is:

In accordance with Section 4193 of the general statutes of Connecticut, revision of 1930, it is agreed between the company and the policy holder that this

beneficiary agreement and all moneys becoming due or retained hereunder shall be impressed with a trust and it is expressly agreed: That any funds retained by the company may be mingled in whole or in part with its general corporate funds as a part thereof; that no beneficiary shall have the right to assign, anticipate, alienate or commute the payments becoming due, or his or her right, title or interest therein, except as may be specifically provided herein; that all moneys payable or retained hereunder, whether of principal or interest, shall be free from claims of creditors of the beneficiary or beneficiaries and from all legal process to levy upon or attach the same; that this trust shall be subject to, governed by and construed in accordance with the laws of the state of Connecticut; and that all payments hereunder shall be made at the home office of the company in Hartford, Connecticut, where this agreement is made and is to be performed.



—Ewing Galloway

## The Wind Is Right For Group Lines

The Government's program opens up the whole question of social security and answers it only in part.

Group life insurance is needed to provide for families of employees who die. Group accident and sickness insurance is needed to provide income for employees disabled by accidental injury or sickness, and not covered by compensation insurance.

Business concerns are anxious to improve their relations with the public and realize the community's opinion of them is much influenced by their treatment of employees.

Corporate profits are larger than at any time since 1929. Business can afford to buy.

With conditions favorable, group lines sell more easily today than for some years. Our group specialists are ready to help you.

**Connecticut General  
Life Insurance Company**  
Hartford, Conn.

## EDITORIAL COMMENT

### Warns Against Tax Abuse

SPEAKING of the new succession duty act in Ontario inheritance taxes R. LEIGHTON FOSTER, general counsel of the CANADIAN LIFE INSURANCE OFFICERS ASSOCIATION, gave warning against abuse of the exemptions on annuities granted in the act. He was addressing the Toronto chapter of the INSTITUTE OF CHARTERED LIFE UNDERWRITERS of Canada. The act now provides that annuities, periodic payments, etc., arranged by a deceased person, in connection with his employment or otherwise, and paid to the wife or any dependent father, mother, brother, sister or child of such person on or after his death, to the extent of \$1200 per person or \$2400 in all, shall be neither taxable nor included in arriving at the aggregate value of his estate.

What will surprise life men on this side of the border is that the majority of Canadian provinces do not distinguish between life insurance monies and other forms of property for inheritance tax purposes. In other words, there is no exemption of life insurance proceeds. Mr. FOSTER said that

Ontario is the first province, state or country, so far as he is aware, to distinguish between life insurance proceeds paid in a lump sum, on the one hand, and such proceeds paid in installments and annuities, on the other hand.

However, he warned that exemptions can be taken away as readily as they can be granted. He warned that the law must not be abused and must not be employed in tax evasion. It provides a substantial, even generous, exemption. Nevertheless it is possible that attempts may be made to use it in improper ways. If the law is abused, the exemption may well be withdrawn in another session as quickly and unexpectedly as it was granted.

Much life insurance in this country is sold for tax evasion purposes, with the result that Congress is constantly encroaching on exemptions formerly granted. Mr. FOSTER'S warning may well be taken to heart in this country, so as not to interfere with the sale of life insurance for legitimate purposes.

### Helping the Rate Book Men

THE president of a smaller or medium sized life company naturally must keep in touch with every department and he becomes all things in one. He may have risen to his position through any one of a number of avenues. Therefore, he is in close touch with the production field as he is with investments, underwriting, actuarial, etc.

The manner of a company president keeping in more intimate touch with and having a clearer understanding of the various departments becomes more serious as a company increases in size. It is physically impossible for such a president to delve very deeply into the details of any department. He can only touch the higher spots.

During the last few years officials of companies have been overwhelmed with the gravest problems. There have been political, investment, underwriting and actuarial questions that were paramount. Perhaps in becoming engrossed in the seemingly more pressing matters there has been a lack of contact and knowledge of field problems. At least many agents today are wondering if they are "forgotten men." After all the lungs of a life insurance company are the men out on the firing line getting the busi-

ness. They are questioning whether some of their executives are sympathetic, have a real knowledge of their problems and difficulties. They wonder whether they are agency-minded or whether they are too enmeshed with the demands of other departments to think of what is facing the salesmen.

It is true that some of the companies have endeavored to bring to the head office clearer and more first-hand information by promoting worth while, aggressive general agents to agency positions. This has done much in creating a new sentiment. Other companies have adopted different means. It seems that all companies are awakening to the fact that one of their most puzzling issues is dealing with agents, revamping and revising production methods so that the men carrying the rate book can produce sufficient business to enable them to earn more than a mere living. There must be a commercial advantage for the agent to do the work that is required. With the changes of the last few years it is possible that there needs to be a new program or at least a revised one so that men of higher grade and superior intelligence can be attracted to life insurance selling.

### Subduing the Commercial Tinge

It is very gratifying to see that the committee on LIFE INSURANCE WEEK has changed its song in order to eliminate as

far as possible this very commendatory activity from a strictly commercial field. LIFE INSURANCE WEEK brings much the

same response as do "Chew Gum Week," "Frankfurter Sausage Week," "Oyster Week" and so on. That is, a number of commodity manufacturers or jobbers have endeavored to focus public interest on their products by designating a certain week as one sacred to it.

LIFE INSURANCE WEEK, in our opinion, should be strictly a service week to policyholders and one where the writing of business is incidental and secondary. One cannot remove it entirely from the field of commercial enterprise because we are all interested in stimulating life insurance sales. However, if LIFE INSURANCE WEEK were dedicated entirely to service and not soliciting, the new business would follow in the logical sequence. The unselfish approach is always the most effective.

GEORGE L. HUNT, vice-president NEW ENGLAND MUTUAL LIFE, who is chairman of the committee, calls attention to a mas-

ter booklet that has been gotten out for distribution to the public during the week. The booklet presents four different and distinctive life insurance appeals. Mr. HUNT further explains that all should emphasize the fact that the primary purpose of the campaign is educational and institutional. To avoid any suggestion of sales activities to the reader's mind which might result from mention of the booklet and promising delivery by a salesman is another object in view.

"We feel," said Mr. HUNT, "that this change in strategy will increase the effectiveness of the campaign and at the same time avoid any adverse reactions on the part of the public. For example, business men in especially accessible places have occasionally refused to see life insurance men during the week because the advertising led them to expect too numerous calls."

## PERSONAL SIDE OF BUSINESS

Jess G. Read, Oklahoma commissioner, headed a group from Oklahoma which left May 5 for Louisville to attend the Kentucky Derby. Two special Pullmans were reserved for the Oklahoma group, which consisted largely of insurance men.

Col. C. B. Robbins, manager and general counsel American Life Convention, Chicago, will give two addresses in Galveston next week. He will address the rotary club May 12 and is on the program at the annual agency convention of the American National Life for a talk May 13 on "Progress of Life Insurance During the Depression." Lee N. Parker, president American Service Bureau, also is to attend the convention.

Miss Ida Montgomery, cashier of the North Carolina insurance department since it started in 1899, has resigned. She was presented with a gold watch by her associates. She will make her future home in Alabama.

J. F. Gildea, a member of the actuarial department of the Travelers accident insurance department at the home office, has been winning honors in two varied sports, contract bridge and bowling. He, with three other Hartford bridge players, including Elliott Brown of the Travelers' casualty underwriting department, represented southern New England in the recent grand national finals conducted by the United States Bridge League in New York City. Although the Hartford card-shufflers did not win the competition, they defeated the famous Four Aces in three games. At bowling, Mr. Gildea was a member of the Travelers team which won first place in the All-Insurance League finals in Hartford.

J. C. Behan, vice-president of the Massachusetts Mutual, was the honored guest of the I. B. Jackson agency in Cincinnati, when he received a scroll signed by 18 agents who closed 78 applications for \$407,053 in the "March for Behan" birthday month tribute. It was presented by the three-year-old daughter of Agent M. C. Farrell, with the brief but sig-

nificant speech, "We worked for you." Mr. Behan replied: "You tell all of these fine people that, so long as they work, everything will be all right for little girls like you." General Agent Malcolm Moore of Indianapolis was an invited guest.

From Cincinnati, Mr. Behan, accompanied by General Agents Jackson and Moore, went to Indianapolis, where they met C. W. Hall, assistant director of agencies, and attended a meeting of the Indiana agency.

A goal of \$3,000,000 of new business has been set by the Indianapolis Life for May, "President's Month," honoring President E. B. Raub. Those who secure 15 or more applications for not less than \$15,000 will be accorded a place on the roll of the "President's Legion of Honor" and will receive a framed certificate signed by President Raub. An additional stimulus to effort this year is the prospect of a trip to Panama next February for those who qualify for the "Councillors Club." By passing up a less pretentious trip this year, such as has been provided for the club in past years, the invasion of more distant scenes is made possible.

E. B. Dudley, Chicago manager of the Travelers, is recovering from an operation for removal of tonsils performed last week.

George O. Williamson, manager Union Mutual Life of Maine in Syracuse, N. Y., died at the age of 40. He had been with the Union Mutual since 1930 and was one of its leading managers. He was past president of the Syracuse Life Underwriters Association and past president of the Syracuse Life Managers Association.

M. B. Lamar, grandson of L. Q. C. Lamar, for whom the Lamar Life of Jackson, Miss., was named, appeared on the radio program commemorating its 31st anniversary month. Mr. Lamar is a son of L. Q. C. Lamar, Jr. Young Lamar is with the general accounting office auditing division of the U. S. government at Washington. L. Q. C.



## THE NATIONAL UNDERWRITER

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Lamar, the grandfather, was an outstanding Mississippian. He was a professor at the University of Mississippi, a Confederate army officer, United States senator, Secretary of the Interior under President Cleveland and then justice of the U. S. Supreme Court.

**Isadore Samuels** of Denver, Colorado general agent of the New England Mutual and general chairman of the arrangements committee for the forthcoming meeting of the National Association of Life Underwriters in his city, who has been awarded a valuable trophy by Zeta Beta Tau fraternity, is in New York this week for the presentation.

The **Canada Life** hockey team recently completed a successful season by winning the championship of the General Finance Hockey League of Toronto. The team won its first six games and of the nine league games played they were the winners seven times. In the play-off for the championship, the team won two of the three games. This is the first time in many years the Canada Life contingent has finished on top.

**Lewis A. Irons**, who has been executive vice-president of the Southern Life of Atlanta, has resigned. He was formerly deputy insurance commissioner in Georgia for more than 12 years. At one time he was assistant to the first vice-president of the Penn Mutual Life.

President **C. C. Spaulding** of the North Carolina Mutual Life was a member of a distinguished party of Negroes who went to the West Indies to study economic opportunities in Puerto Rico for the colored race.

**Isaac Miller Hamilton**, president of the Federal Life, Chicago, who is on a trip around the world, and a traveling companion, Col. E. A. Powell of Washington, staged a sit-down strike on a Russian airliner at Kharkov, which enabled them to arrive in Moscow in time to see the May day parade.

They boarded the plane at Baku on the Caspian sea for Moscow, but when it reached Kharkov, 400 miles away, the pilot announced he was returning to Baku. The Americans refused to get out of the ship and demanded that it proceed to Moscow. Finally officials of the airline ordered the plane to take its passengers to Tula, near Moscow, and provided an auto to the latter city.

Mr. Hamilton went on to Leningrad Monday, according to word received at his office in Chicago.

**Gale F. Johnston**, southwestern division group manager of the Metropolitan Life, and **Briggs A. Hoffman**, vice-president of the Lawton-Byrne-Bruner Agency, both of St. Louis, were among those who escaped from the yacht "President," when it was destroyed by fire on the Mississippi river near Clarks-ville, Mo.

**Max M. Matusoff** of Cleveland, who gave a talk before the Cincinnati sales congress, makes a specialty of building up a life insurance program in connection with estates. Last year he produced more than \$1,000,000 of new business.

**Fred W. McIntosh**, 56, western personal service department representative of the Monarch Life, with headquarters in Chicago, died there last week. Mr.

McIntosh had been in poor health for some time. He underwent a serious gall bladder operation last January and spent some time in Florida thereafter but had never fully regained his health. He was taken to a hospital for an emergency mastoid operation and was unable to rally from it because of his weakened condition and the fact that the gall bladder infection had apparently not been entirely eliminated.

He had been with the Monarch Life 12 years, establishing the company's first agency in Des Moines and later representing it in Los Angeles before going to Chicago in 1929 as manager of its agency there. In 1933 he was made home office representative, with supervision of claim work in several central western states. He was a veteran of the Spanish-American and world wars and was for a time in secret service work.

He had been especially active in the Chicago Accident & Health Association, serving as a director for several years and as chairman of important committees. High tributes were paid to his memory and his service to the association at its meeting this week.

**Columbia Life** reports April the best month since 1931 and the first four months are 20 percent ahead of last year.

Mrs. Catherine G. Hammond, of Los Angeles 88, mother of **Wilmer M. Hammond**, Aetna Life general agent for southern California, died there.

"Nimble advert" is what **Walter Winchell** called the Bankers Life of Des Moines in a recent column. Here is what he said:

"... A nimble advert, too, is the Bankers Life Insurance Co. (of Des Moines) which offers a likeness of a husband, the text with it briefly stating: 'Kind to his wife—cruel to his widow.' ... It is convincing sales talk and further argument and proof that sex, girls' shapely legs and thighs, or dolls in one-piece bathing attire are not necessary to catch the eye."

The advertisement which attracted Mr. Winchell's attention was one which presented the idea of life insurance in action. It did not attempt to describe the life policy, but it did attempt to describe the things that a policy can do.

**S. T. Chase**, retiring general agent of the Connecticut Mutual in Chicago, in his day was one of the crack amateur tennis players in the west. He was twice western champion. He has been appointed chairman of a committee of old-time amateur tennis players in the city and a prize is being offered for the most unique tennis racket that was used in days gone by. C. J. Zimmerman, general agent at Newark, who will succeed Mr. Chase, will be at the Chicago office Monday and Tuesday of next week and will take permanent charge the following week.

**Henry Clabaugh** of Baltimore, son of **C. C. Clabaugh**, superintendent of agents of the Maryland Life, has turned professional and will become tennis instructor at the Woodholme Country Club there. He was the second ranking municipal tennis player last season. Young Clabaugh has made a great record as a tennis player. He was captain of the Forest Park high school team in Baltimore in 1928, the only one which won the state championship. He was highly complimented by Tilden during the national junior and boy indoor tournament held in Baltimore.

Commissioner **Frank Yetka** of Minnesota is one of nine attorneys who have been awarded fees of \$185,000 in connection with claims growing out of the 1918 forest fires in Minnesota, supposedly caused by sparks from a railroad locomotive. At that time the railroads were under government operation and claims aggregating more than \$10,000,000 were filed against the government. Commissioner Yetka, who lived in the fire zone, represented many of the property own-

ers over a long period of years. Before his appointment as insurance commissioner he made numerous trips to Washington and spent much time there trying to get action on the claims in Congress.

**J. H. Darling**, recently appointed agency supervisor of the Stamm home office general agency Northwestern Mutual Life, Milwaukee, was married to Miss Charlotte Jane Meyer at the home of the bride's parents, Mr. and Mrs. J. L. Meyer, Madison, Wis. The bride has been for several years employed at the home office.

#### Promises 50 for Denver Meet

The Beneficial Life of Salt Lake City has promised to have 50 representatives at the convention of the National Association of Life Underwriters in Denver in August. It expects to have more representatives there than any other company.

#### Action on O'Malley Delayed

JEFFERSON CITY, MO., May 6.—It is believed that Governor Stark will not decide finally on any of his major appointments, including the question of reappointing Superintendent O'Malley, until after the legislature adjourns. Mr.

#### Linton's Book Answers Life Insurance Critics

The book, "Life Insurance Speaks for Itself," by President M. A. Linton of the Provident Mutual Life, coming from Harper Brothers press is out. Mr. Linton is one of the talented, well informed executives in the business. This book is a constructive and informing answer to numerous misrepresentations and half truths which have been given currency recently by certain critics of life insurance. The author takes up these typical criticisms, analyzes them one by one and shows the reasons in actuarial science and accepted business principles for the procedures which are considered good practices in life insurance today. The book sells for \$1.50 and can be secured from The National Underwriter.

O'Malley's term does not expire until June 30.

Get a social security slide rule. \$1. Order from National Underwriter.

50<sup>th</sup> YEAR

EACH MONTH OF THE  
YEAR HAS SHOWN A  
SATISFYING GAIN IN  
PAID BUSINESS. OUR  
REPRESENTATIVES LIKE  
THE ANNIVERSARY  
CELEBRATION » » »

**Bankers Life**  
INSURANCE  
COMPANY OF **Nebraska**  
LINCOLN - SINCE 1887

#### INSURANCE STOCK FOR SALE

To close Estate of Riddelle L. Gregory, a large block of the capital stock of Postal Life & Casualty Insurance Company, of Kansas City, Missouri, must be sold by noon Saturday, May 15, 1937. For information write or call Dean Leshner, 2200 Bryant Building, Kansas City, Missouri.

## NEWS OF THE COMPANIES

### Submits Federal Union Plan

**Bowen Scheme Includes 65 Percent Lien  
—Superintendent Acts Under New  
Rehabilitation Law of Ohio**

CINCINNATI, May 6.—With the passage of an act permitting the Ohio department to take over and rehabilitate companies, Superintendent Bowen has submitted a rehabilitation plan for the Federal Union Life, Cincinnati, to the common pleas court of Franklin county which has indicated its approval of the plan subject to the approval of a sufficient number of policyholders and claimants, May 31 being set as the last date for dissent.

Should the plan not be approved, it will be necessary to place the company in liquidation and Mr. Bowen states that even under the most favorable circumstances in that event return to policyholders will not exceed 35 percent of the reserve, equivalent to about 6 percent of the face amount of the policy. Payment of that amount would be spread over a period of years and no insurance would

be payable in event of death. If the plan is approved, dissenting policyholders would receive a proportionate share probably no greater than that if the entire company were liquidated.

#### Sees 65 Percent Lien

Under the proposed plan, a 65 percent lien would be placed on all policies with interest at 4 percent. Death claims and accidental death benefits will be paid in full, within 120 days of ratification. Death claims occurring after Dec. 31, 1936, however, will be subject to a deduction of the then existing policy lien including accrued interest. Matured endowments prior to the effective date of the proposal are reduced by 65 percent, with a certificate of participation being issued entitling the policy to share in future reductions of policy liens.

The lien may be readjusted annually providing profits are equivalent to at least 10 percent of the outstanding lien and participation certificates, after certain reserves are provided. A moratorium is placed on cash and loan values for five years, which may be extended according to the department's judgment. Disability claims will be paid in cash

and participation certificates. Extended insurance will be continued for full amount, but with reduced term, and a participation certificate issued.

When policy liens have been discharged in full out of company profits, borrowed money repaid, and a contingency reserve established sufficient to restore capital structure and an adequate surplus not less than 5 percent of the admitted assets, at the department's discretion, the company may be turned over to stockholders. At any prior time, however, the company may be mutualized or reinsured.

### Seek to Invalidate Deal

**Group of State Mutual, Ga., Policyholders Gets Stay Against Florida Reinsurance Plan**

The State Mutual Life of Rome, Ga., recently reorganized and operated under the old name but under Florida charter, has been enjoined by three old policyholders to prevent further use of funds, until a court hearing can be held.

Hearing on petition for a permanent injunction will be held in Fulton superior court, Atlanta, May 14. The petitioners seek to restrain altering, disposing of, or changing status of any assets of the old company; to declare reinsurance contracts and former court decrees authorizing the transfer declared void; to have money appropriated for reinsurance turned back into the treasury and to secure judgments for amounts to which they claim they are legally entitled under terms of the mutual contract.

#### Charges of Policyholders

They charge officers of the Florida chartered company obtained a court order by fraud, enabling them to reorganize and obtain assets of the Georgia company. It was claimed this was done to secure \$500,000 surplus belonging to policyholders.

The petition charges that Geston Garner, while he was deputy commissioner of Georgia, and directing the old State Mutual under court order, held income certificates invalidated by a superior court order of 1914, until all policyholders' claims were paid. To cash in on these, it was charged, he secured a court order authorizing transfer of assets to the Florida company, setting aside \$163,932 with which to pay the income certificate claims.

#### Garner Now Is Manager

It was charged Garner had personal interest in the transfer and is now manager of the Florida company.

Commissioner Harrison in 1936 refused to approve changes asked, the petitioners stated, but the new commissioner, G. B. Carreker, gave approval and about \$2,000,000 assets of the Georgia company were transferred to the Florida company. It is claimed about 1,000 Georgia policyholders are losing \$600,000.

The hearing for permanent injunction will be heard in Fulton superior court, Atlanta, May 14. Defendants listed are State Mutual Life, State Mutual of Florida, Mr. Garner, Mr. Harrison, and A. R. Wright, deputy commissioner.

### State Mutual Life Opens May Drive by Telephone

G. F. Robjant, a Boston general agent State Mutual Life, instituted the company's first telephone broadcast hookup recently when 50 of his producers listened to out-of-town talks opening the May campaign in honor of President Chandler Bullock's 10th anniversary as executive head. Featured speakers were President Bullock, Vice-President and Superintendent of Agencies Stephen Ireland and General Agent G. S. Lott of Dayton, president of the company's General Agents Association, which initiated the campaign. Mr. Bullock and Mr. Ireland addressed the Boston gathering

from their offices in Worcester, and Mr. Lott spoke from Dayton.

Speaking of the campaign, which is entitled "31 Days of Quality Business for Chandler Bullock," Mr. Ireland said May should be the largest month in the company's 93 years. Briefly he reviewed highlights of President Bullock's career. From Dayton, Mr. Lott again outlined aims of the drive for which no quota has been set. Each general agent makes his own plans.

The Robjant office in Boston will hear other speakers over the hookup at its regular Monday meetings during May; and in his own organization Mr. Robjant is repeating the same drive for applications which in last year's May campaign made his agency lead the country.

### Has Non-cancellable Change

**Monarch Life Announces Some Revision  
—It Puts Age 65 as the Maximum  
Limit**

All the non-cancellable policies issued by the Monarch Life now have 65 years as the age for termination. One-half benefits will commence at age 60 as before. Old policy forms of the "guaranteed income," "preferred," and "provider" policies have been withdrawn, only the newer forms being written after the end of April. Complying with the demand from agents, the company now issues the "guaranteed income" policy with both accident and sickness elimination of three, seven, 14 or 30 days and also with no elimination period for accidents but with a waiting period of seven, 14 or 30 days for illness. The same waiting periods are now provided for the "preferred" policy except for the three-day elimination period for both accident and sickness which is not provided in the latter contract. The newer elimination periods make possible a substantial reduction in premiums.

#### Three New Rider Forms

Three new rider forms have also been issued for the automobile coverage, surgical expense supplement, and automobile coverage and surgical expense supplement riders.

The "preferred" policy pays hospital, nurse and special reimbursement from the first day regardless of the elimination period. Under the "guaranteed income" policy, the elimination of weekly indemnity applies also to hospital and nurse indemnity. The "preferred" policy is the only Monarch Life contract under which full rate for non-confining total disability for sickness is provided. The three disability contracts remaining unchanged are the "superior," "maximum benefit," and "business women's."

#### Reserves Are Increased

When announcing the change in age limit for non-cancellable contracts, the company stated that continuation of indemnities to age 70 requires an abnormal increase in non-cancellable reserve which might even make the issuance of non-cancellable business impossible. Prolonged disability in the later years and the moral hazard among those who have retired are responsible for this condition. By terminating non-cancellable coverage at age 65, the company feels that it is following a wise and conservative course for continuing the non-cancellable plan. In writing the contracts to age 65, the entire working span of a man's life will be covered, for the present federal social security act and retirement programs of most corporations are directed at encouraging, if not enforcing, cessation of business activities at age 65. Further, the company comments it is expected within another 10 or 15 years there will be relatively few men actively employed beyond that age.

### Receivership Follows Reinsurance

Following reinsurance of its business in the Provident Life of Bismarck, N. D., a receiver has been appointed for Union States Life of Portland, Ore.

## Columbian Fieldmen

GO TO

# A Party!



to celebrate the first birthday of their most famous representative — The Minute Man.

Popularity earned The Minute Man his party. During his first year he accounted for 17% of all new Columbian National Life insurance. The average size Minute Man policy is over \$7,000.

Prospects are very keen about The Minute Man. He anticipates their every need, and when issued with the Family Income Rider he is a complete life insurance program.

He's a money-maker for his fieldmen.

**The COLUMBIAN NATIONAL  
LIFE INSURANCE COMPANY**  
HOME OFFICE  
BOSTON - MASSACHUSETTS  
A NEW ENGLAND INSTITUTION



Apparently this does not affect the interests of policyholders. The reinsurance deal was consummated before the receivership action was taken. Petition for a receivership was made by Capitol Underwriters Corporation, a minority stockholder, charging extravagance and mismanagement. Prior to the reorganization of the Union States Life a year or so ago, Capitol Underwriters Corporation was the management unit of the company.

### Policyholders Suit Refiled Against Service Life, Omaha

Federal Judge Munger refused request of several policyholders to remand to state courts their suit against the Service Life of Omaha, on the ground that since the Hawkeye Life of Des Moines, purchased by the Service Life, was made a party, only the federal court has jurisdiction. The action was dismissed and the case refiled with the Hawkeye Life omitted as a party defendant.

The new petition asks a court finding that participating policyholders are entitled to have allocated to them funds totaling \$655,049 which they charge were transferred from surplus in which they had a share to the nonparticipating policyholders in the sum of \$377,000, the remainder asked for covering other transactions. Codefendants are President John Farber, H. P. Farber, secretary, Lloyd Dort, vice-president, and Walter Duda, treasurer.

### Ohio State Life Campaigns

The field force of the Ohio State Life is putting on a campaign this month in honor of Dr. C. E. Schilling, vice-president and medical director. Dr. Schilling helped to organize the Ohio State more than 31 years ago. The Pittsburgh agency, under the direction of Manager A. E. D'Emilio, is also putting on a two-month campaign as a tribute to Frank L. Barnes, agency vice-president.

### New Accident-Health Affiliate

The Mutual Union Casualty, a new affiliate of the Mutual Union Life of Seattle, has been incorporated to write accident and health business.

### Have Filed Exceptions

Counsel for the Missouri National Life has filed exceptions with Circuit Judge Kirkwood to the report made by Special Referee Mix in which he held the company to be insolvent and recommended its dissolution. The exceptions ask that the court dismiss the dissolution suit filed by Superintendent O'Malley and restore the assets and management of the company's affairs to its officers and directors.

### Life Company Notes

The Western Union Life of Nebraska has rented the premises at 1235 N street, Lincoln, which will be known hereafter as the Western Union Life building.

The Union Labor Life is retiring from the Dominion of Canada having reinsured its outstanding business in the Metropolitan Life.

## COMPANY MEN

### Equitable Promotions Made

Announcement in the Group Department  
Brings Promotion to a Number  
of People

Following the announcement that John A. Patton, associate manager in charge of the group operations in the central division at Chicago, had been made manager of the home office group department of the Equitable of New York, M. A. Gulick becomes associate manager. He had been assistant divisional group manager in the middle Atlantic division. F. S. Sayers, formerly active in group sales and service in the

home office, takes Mr. Gulick's position, having headquarters at Philadelphia. P. F. Gorman, formerly assistant divisional group manager in upper New York state, will direct activities in that territory as well as New England with headquarters in Boston. In the upper New York state division, V. A. Hanson, former football coach at Syracuse University, will serve as assistant divisional group manager with headquarters at Syracuse.

### H. C. E. Johnson Advanced

H. C. E. Johnson, second son of Dr. J. W. Johnson, president Interstate Life & Accident, has been promoted to assistant agency manager. At Princeton University Mr. Johnson specialized in subjects related to insurance and has spent several years in practically every department of the Interstate's organization.

## SALES MEETS

### Vermillion Agency Roundup

Annual Convention of the Mutual Life  
Milwaukee Organization Offers  
Several Unusual Features

Fifty members of the Milwaukee agency of Mutual Life of New York, managed by Gifford T. Vermillion, attended the annual convention. This agency has paid for in excess of \$100,000,000 during the past 12 years and at the meeting were 10 men whose business has averaged better than \$200,000 annually for the past 10 years.

On the program were Morton A. Lee, assistant trust officer First Wisconsin Trust Company; Dr. Stanley Ross, president Wayland Academy of Beaver Dam; Dr. C. Wesley Boag, general manager Arnold Dryer Company, Milwaukee; George W. Gaidzek, retail department Ford Motor Company in Wisconsin, and A. R. Jaqua, associate editor "Diamond Life Bulletins."

Of particular interest was a playlet "My Daddy." The curtain rose to show an 8-year-old girl, Betty Rosenthal of Fond du Lac, kneeling by the side of a cot in a barely furnished room (her mother was out scrubbing floors because her father had died without insurance). Betty's recitation of the poem, "My Daddy," was particularly touching.

Mr. Vermillion was a former million dollar producer and is perhaps the first man in the United States to have written insurance for the purpose of taking care of taxes. When Wisconsin had its inheritance tax law Mr. Vermillion sold insurance to meet those taxes in 1912, prevailing upon his company to print in red ink across the top of the policy contract the words "Inheritance Tax Policy." It is that alertness in applying life insurance to meet changing economic conditions in the life of an individual that has helped make Mr. Vermillion one of the outstanding insurance men in the country.

With the banquet scheduled for 6:45, it was announced at 6:30 that the hotel employees were on strike. The tables were laid and the food cooked but elevators were not running, the chef was not working, waitresses were sitting down. Just as the agency force was about to make arrangements to serve themselves an agreement was reached and the strike was settled and the evening proceeded as scheduled.

Presiding at the morning session was Percy G. Gibson, agency organizer, and at the afternoon session, John J. Major, supervising assistant.

### Central Life Des Moines Rally

A 15 percent gain in life insurance sales the first quarter by the Central Life of Iowa was announced at a conference of 50 midwest agents in Des Moines, the fourth of five such meetings in the middle west. Speakers included G. T. Carlin, educational director,



### LIFE REINSURANCE EXCLUSIVELY

LAWRENCE M. CATHLES  
PRESIDENT

99 JOHN STREET

NEW YORK CITY

## MUTUAL TRUST

LIFE INSURANCE COMPANY

EDWIN A. OLSON  
PRESIDENT

CHICAGO  
ILLINOIS

"AS FAITHFUL AS OLD FAITHFUL"

A PURELY MUTUAL FULL LEVEL PREMIUM 3% RESERVE  
COMPANY WRITING PARTICIPATING INSURANCE  
ONLY AND AT ALL AGES (MALE AND  
FEMALE) FROM BIRTH TO AGE 65

32ND  
ANNIVERSARY YEAR  
1905—1937

INCREASE IN ASSETS AND SURPLUS EACH AND  
EVERY YEAR FOR THIRTY-TWO CONSECUTIVE  
YEARS

OPERATES IN THE EAST AS WELL AS THE WEST:

Maine  
New Hampshire  
Vermont  
Massachusetts  
Rhode Island  
Connecticut  
New Jersey  
Ohio  
Michigan

Illinois

Wisconsin  
Iowa  
Nebraska  
Minnesota  
North Dakota  
South Dakota  
California  
Washington  
Oregon

MEN WHO BELIEVE THEY HAVE GENERAL OR DISTRICT  
AGENCY QUALIFICATIONS MAY OBTAIN FULL PARTICULARS  
BY ADDRESSING THE AGENCY DEPARTMENT

and J. H. Leaver, vice-president and superintendent of agencies.

### Massachusetts Mutual Men in Meetings with Agencies

C. O. Fischer, vice-president Massachusetts Mutual, and Frank Howland, newly appointed agency assistant, are on a midwestern agency tour, taking part in a number of agency meetings. After addressing the Illinois sales congress at Aurora, Mr. Fischer went to Peoria where he entered the business 24 years ago as general agent Massachusetts Mutual, and was guest at an agency meeting there this week. The following day he addressed the monthly meeting of the Peoria Association of Life Underwriters, speaking on "Today's Opportunity." He feels there are several years of general business prosperity ahead.

The agent who succeeds and capitalizes the good years ahead must have vision and sound philosophy, faith and confidence in the future, he said. He must be able and willing to adapt himself to changing conditions and to pay the price of success. The itinerary also included a two-day meeting of the St. Louis agency, a gathering at Milwaukee and a conference of the Bokum & Dingle general agency at Chicago.

### Fellowship Club in Amarillo

About 125 members of the Good Fellowship Club of American National Life

and their guests from throughout the Texas Panhandle met in Amarillo for a dinner-dance. W. Sutherland, field supervisor from Dallas, made the principal address. T. E. Burns, president of the club, was toastmaster.

### Cummings Has Cheyenne Parley

Representatives of Minnesota Mutual Life were guests of H. J. Cummings, vice-president, at a dinner in Cheyenne, Wyo.

### Hold School for Iowa Agents

The Bankers Life of Nebraska held a conference and school of instruction at Denison, Ia., with about 40 agents of the company from central and western Iowa in attendance. A similar meeting was held for eastern Iowa at Waterloo. Carl E. Davis, Des Moines, home office supervisor for Iowa, and E. B. Drake, treasurer, conducted the conference.

### Carroll at Cleveland Rally

J. P. Carroll, superintendent of agencies of the Lincoln National Life, participated in the opening of the Cleveland agency's new office in the Union Trust building. There was an agency meeting and the management held open house.

### Franklin Life Agents Meet

R. P. Young, vice-president in charge of agencies Franklin Life of Springfield, Ill., was the principal speaker at a one-

day sales meeting of 25 northeastern Wisconsin agents under auspices of the Walter Wetzel general agency, Green Bay, Wis. A dinner and the annual policyholders' dance in the evening were features.

### Pinder Agency in Meeting

The Indiana agency of the Ohio State Life in Indianapolis, of which R. L.

Pinder is the manager, is holding a sales meeting, with W. V. Woollen, Columbus, field superintendent, principal speaker.

### New World Life Meeting

Minnesota and Wisconsin agents of the New World Life attended a meeting in Minneapolis. M. C. Laughman, manager for that district, presided.

## LIFE AGENCY CHANGES

### Warren Macauley in New Post

Returns to Detroit as Associate State Agent of the John Hancock Mutual Life

The John Hancock Mutual announces the appointment of W. T. Macauley as associate state agent in Michigan. He will be associated with his father, C. A. Macauley, state agent, taking over the active supervision of the agency organization for the purpose of its special development and expansion.

Warren Macauley began his insurance career with the C. A. Macauley agency in 1922, remaining until 1935. During that period he gained experience in all departments, including office, brokerage, development and personal selling.

In 1935 he was appointed general agent of the John Hancock at Portland, Ore., and his first year increased the business there by a substantial percentage. This increase was accomplished through the building up of a full-time agency organization.

While he has been in Portland only a short time, he acquired a wide acquaintance not only in insurance circles but also in business and fraternal groups. The Michigan agency will hold a buffet luncheon and reception in honor of his return. He is not only well known but well liked by the entire agency.

### Newfield Is Named at Oakland

Former Penn Mutual Man Made General Agent of Lincoln National in California City

L. K. Newfield has been appointed general agent in Oakland, Cal., by the Lincoln National Life, with offices at 613 Easton building. He succeeds J. J. Stegge, who plans to devote his entire time to personal production.

Mr. Newfield was graduated from the University of California and for 13 years was in newspaper work, becoming owner and publisher of his own paper. In 1928 he decided to enter selling and signed a contract as salesman for the Penn Mutual. He has since been district manager and agency supervisor.

As a personal producer, Mr. Newfield has written more than \$500,000 in a year and his all-time record closely approaches that figure. His record in supervisory and managerial capacities has been equally outstanding. Several of the men he has recruited and trained are already regulars in the \$250,000 class. He was a speaker at the annual meeting of the National Association of Life Underwriters several years ago.

### Capitol Life Changes

B. P. Cantrell, agency director in Austin, Tex., for the Great Southern since 1931, has been appointed agency director in charge of home office territory for the Capitol Life, Denver. With his appointment the Denver territory is under one head.

A. F. Schaefer has been appointed general agent at San Bernardino, Cal. A physical education director at San Bernardino college, Mr. Schaefer has been with the Capitol Life as a part-timer.

O. F. A. Marks, Racine, Wis., has been appointed district manager of the Mutual Trust Life.

### John Hancock Appointments

Changes Are Made at Omaha and Portland, Me., General Agencies; W. I. Black Advanced

General agency appointments at Omaha, Neb., and Portland, Ore., have been announced by the John Hancock Mutual. W. E. Brugman, who has been general agent at Omaha for the past six years, has been named general agent at Portland. He will be succeeded at Omaha by W. I. Black, who has been associate general agent there since 1934.

Mr. Brugman has been with the John Hancock since 1924 when he became an agent at Cedar Rapids, Ia. A few years later he went to the Des Moines state agency as agency supervisor, and from 1928 to 1931 he was associated with the home office agency department, and engaged in training agents in metropolitan centers of the east.

Mr. Black became associate general agent at Lincoln, Neb., for the Omaha agency. Previously he had been secretary of the Nebraska High School Athletic Association for six years.

### W. B. Madeira Is Promoted to the Philadelphia Agency

A. F. Haas, manager of the Pittsburgh agency of the Mutual Life of New York, announces the promotion of W. B. Madeira, supervising assistant in Pittsburgh, to agency organizer in the George Rhaun agency in Philadelphia. Mr. Madeira was appointed supervising assistant Jan. 1, 1936, after an outstanding personal production record. In Pittsburgh he was most successful in new personnel work, having contracted and trained four new personnel training classes.

His is the third major promotion in the Pittsburgh agency in less than four years. Jan. 1, 1936, E. W. Yago was promoted from agency organizer to manager of the Wheeling, W. Va., agency. On that same date E. L. Stanley was promoted to the position left vacant by Mr. Yago, after a splendid personal production record.

The Pittsburgh agency has advanced from 53rd to 8th position in the last four years. It closed the first four months' business of this year approximately 20 percent ahead of the same period of 1936.

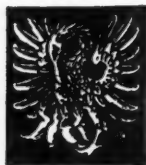
### J. L. Russell with Reliance

J. L. Russell has been appointed manager of the Reliance Life in charge of the Kansas-Missouri department with headquarters at Kansas City, Mo. In 1923 he joined its field force as general agent at Blytheville, Ark., having previously been connected with a lumber concern and a bank. In 1925 he was promoted to be supervisor of the Kansas-Missouri department, resigning to become a general agent. Since 1932 he has been assistant to the Kansas City general agent of another company.

### Carl Coley Joins Occidental

The Occidental Life of California will establish a branch office in Columbus, O., and has named Carl Y. Coley manager there. A native of Rockingham, N. C., Mr. Coley was educated at the University of North Carolina and Yale,

★ MODERN LIFE INSURANCE SINCE 1845 ★



## STATISTIC

A figure sleuth has discovered that the average length of service of Mutual Benefit men (excluding new men) who attended the 1936 Agents' Convention was something over thirteen years. An analysis of the "composite man" of this group shows that he began his service shortly after the post war depression, made "good money" during the boom, had to scratch like the dickens for his commissions during the Great Depression, and, still working hard, is getting better results for his efforts in 1936. His thirteen-year service record is at once a tribute to his ability and industry and to the Company with which he is associated.

The  
**MUTUAL BENEFIT**

LIFE INSURANCE COMPANY • NEWARK • N. J. •



## Penn Mutual Home Agency Managers



E. L. REILEY



J. H. REESE

J. H. Reese and E. L. Reiley have been appointed managers of the home office agency of the Penn Mutual Life, which was known as the John A. Stevenson agency from 1928 to 1936, when Mr. Stevenson was directing it. It operates in Philadelphia and adjacent territory, having about 50,000 policyholders and about \$250,000,000 insurance in force. Its annual new business runs in excess of \$30,000,000.

### Formerly with Agency

The new managers have been associated with the agency in managerial capacities. Mr. Reese has been manager of the unit known as the "insurance trust associations" and Mr. Reiley as superintendent of agencies. Mr. Reiley not only had charge of the Philadelphia organization as superintendent but the

Leonora E. Olsen Life Plans Division in the Rockefeller Plaza, New York City.

Mr. Reese was formerly in the banking field and then for the last eight years has been a unit manager. He is qualified for the million dollar round table of the National Association of Life Underwriters. He is regarded as an expert on business insurance, estate analysis and taxation.

Mr. Reiley joined the Penn Mutual after serving as instructor at Lafayette College. He is an engineer by training and in August, 1931, he was appointed manager of the agency research in the agency department at the head office. He is vice-president of the Philadelphia C. L. U. and chairman of its educational committee. Mr. Reese is also a C. L. U. man and has the agency management certificate.

entering life insurance as a personal producer for the Philadelphia Life in 1923, immediately after leaving school. By 1926 he was manager at Charlotte, N. C., a post he held until 1929, when he joined the Pan-American Life as state manager, with headquarters at High Point, N. C.

In September, 1936, he joined the George Washington Life as supervisor for Ohio with headquarters in Columbus.

### Weathers Succeeds Patton

Robert W. Weathers has been named manager of the Columbus, O., agency of the Mutual Life of New York. He succeeds G. A. Patton, who goes to the home office as agency superintendent.

More than 100 members of the agency attended a dinner in honor of Mr. Patton. Thomas B. Winters, oldest member of the agency, acted as toastmaster.

### Cormack Locates at Greeley

K. J. M. Cormack has been appointed district agent of the Northwestern Mutual Life with headquarters at 214 Park Place building, Greeley, Colo. For three and a half years he has been a member of the prize winning leading district agency, Cormack & Gilmore of Illinois.

### Howard Is Oklahoma Manager

R. C. Howard, Jr., has been appointed Oklahoma City manager of the Liberty National Life with offices in the High-tower building, Oklahoma City. Mr. Howard has been with the company eight years.

### Shifts by the Travelers

John W. Bratton, who was manager for Travelers' at Yonkers, N. Y., is transferred to manager at Brooklyn. C. C. Cook, formerly assistant manager

in Brooklyn, has been transferred to the 55 John street office in New York City, where he will be associated with R. L. Smith, assistant superintendent of agencies. Mr. Cook retains his title of assistant manager.

### Jefferson Standard Appointments

H. T. Penny, who has had a number of years of experience in life insurance, becomes district manager of the Chattanooga office of the Jefferson Standard Life. He succeeds W. L. Davis, who has been promoted to manager of the Nashville agency.

### W. H. Peck With Floyd West

W. H. Peck, formerly assistant field supervisor Volunteer State Life, has joined Floyd West & Co., Dallas, as manager of the life department. He has been in the life insurance business since 1931.

### T. W. Jones District Agent

T. W. Jones has been appointed district agent at Fort Wayne, Ind., for Equitable Life of Iowa. He has been with that company as an agent for three years in Fort Wayne. He succeeds C. Dee Walker, who has become general agent at Rockford, Ill.

### Pan-American Names Two

The Pan-American Life has appointed Eugene Porter district agent at Belton, Tex., and T. D. Manford, Jr., at Smiley, Tex. Mr. Manford, who has never sold life insurance before, secured 30 applications for \$73,000 in his first five days.

### Name Lake and Earle

The Bankers National Life has appointed E. E. Lake and A. O. Earle of North Tiverton, R. I., general agents.



## A Life Policy

The growth of the Life Insurance Policy has been rather wonderful. Its beginning—merely a DEATH policy—today—a LIFE policy in every sense of the word. A piece of paper, if you will, that the great Institution of Life Insurance brings unscathed through every catastrophe. A piece of paper justifying the faith of millions of people.

Social Security? No, not merely social security—Triple Social Security! A protection against emergencies—a guarantee of satisfactory income throughout old age—protection to dependents against death and its consequences—that's a Life Insurance Policy.

Are you looking for a company standing 100% behind her policies? Then you will find it pays to be friendly with the

# PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT

III

INDIANA

# Going Places



With...

# THE OHIO STATE LIFE INSURANCE COMPANY

COLUMBUS, OHIO



## No Booms Here

Traditionally solid and conservative, the city of Saint Louis has grown steadily from a trading post into a metropolis. There has been an absence of the booms that mark the growth of other western cities.

The Saint Louis Mutual Life Insurance Company has inherited the attributes of its parent city. The conservative management of this company aims not at mere size but at safety and reliability. We will be in business for a long time to come.

There is a better future in a company with a good past.



**SAINT LOUIS MUTUAL  
Life Insurance Co.**

ST. LOUIS, MISSOURI

F. H. Kreismann, President

## NEWS OF LIFE ASSOCIATIONS

### To Gather at Topeka, Kan. Big Davenport Meet Assured

**Annual State Association Meeting and Sales Congress to Be Held This Week**

R. G. Cunningham, Wichita manager Metropolitan and president Kansas association announces the complete program for the sales congress at the Jayhawk Hotel, Topeka, May 8. The Topeka committee is headed by L. E. King, New England Mutual general agent. Attendance of more than 300 is expected. Mr. Cunningham and L. R. Porter, general agent Lincoln National, Wichita, helped to complete the plans at a meeting in Topeka.

All licensed life men in the state are eligible to attend. Registration fee is \$2.50. Last year at Wichita only Kansas association members were admitted. The Kansas Association annual meeting will be held May 7. A delegation is expected to attend from St. Louis to seek support for the 1938 convention of the National Association of Life Underwriters in that city. General agents and managers will hold their annual get-together May 7, with an informal program. There will be a golf tournament at the Topeka Country Club. Tickets are \$1.50, including greens fee and dinner. H. W. Moore, manager Mutual Life of New York, is chairman. The program for the two-day meeting is:

#### Friday

(General agents, managers and home office officials only.)

2 p. m.—Golf tournament, Topeka Country Club.

6:30 p. m.—Annual dinner, Topeka Country Club. R. G. Cunningham, president Kansas Association of Life Underwriters, presiding.

8 p. m.—Seminar—H. W. Moore, manager Mutual Life of New York, chairman.

1. "What Are the Factors That Should Cause a Man to Consider our Business?" Clayton Mammel, general agent Farmers & Bankers, Wichita; G. C. Glascock, agency manager Ohio National, Hutchinson.

2. "Recruiting and Selection," E. E. Shurtleff, assistant general manager Victory Life, Topeka; R. B. Daniel, general agent Northwestern National, Hutchinson.

3. "Training," H. W. Laffer, general agent Northwestern Mutual, Wichita; F. J. Seitz, agency director American Home, Topeka.

4. "Time Control," Wayne Clover, general agent Penn Mutual, Wichita; O. T. Cropper, general agent Aetna, Topeka.

5. "Keeping the Old Man in Production," E. F. Goodrich, general agent Bankers Life of Nebraska, Topeka; H. W. Stanley, general agent Equitable of Iowa, Wichita.

#### Saturday Sales Congress

9 a. m.—Registration—Hotel Jayhawk lobby.

10 a. m.—Morning session. Call to order, President R. G. Cunningham.

"Appropriate Remarks by Discerning People Who Have No Time to Waste."

"Life Insurance—the Individual Approach to Social Security," F. M. See, St. Louis, general agent New England Mutual.

12:15 p. m.—Luncheon. Address, "Life Insurance, the Cornerstone of the Temple of Life," Dr. S. B. Edmondson, Kansas City, pastor Country Club Methodist Episcopal Church.

2 p. m.—Afternoon session. "A New Profession and an Old," Dr. W. E. Thornton, vice-president and medical director Lincoln National Life.

"Why Men Succeed," A. R. Jaqua, Cincinnati, O., associate editor "Diamond Life Bulletins."

Business Meeting—Report of president, committee reports, election of officers.

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**Pittsburgh**—Life Insurance Week will start with an "Early Bird Breakfast" May 17. W. J. Cummins, E. A. Woods Company, is general chairman, with Erroll Ripley, Northwestern Mutual, as co-chairman.

**Over 300 Will Attend Annual Congress in the Iowa City on Saturday**

An exceptionally large attendance is expected for the sales congress of the Davenport, Ia., Life Underwriters Association this Saturday. Late last week reservations numbered 250. Practically every general agent in Davenport conducted a contest in April, the prizes being tickets to the sales congress.

The Illinois Bankers Life of Monmouth, Ill., and the Guaranty Life of Davenport conducted contests and the winners are being given a free trip to the city for the congress. The Illinois Bankers has made 50 reservations and Guaranty Life 45.

In addition to the speakers previously announced, G. Franklin Ream, assistant superintendent of agencies for the Mutual Benefit, will address the luncheon meeting.

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### Annual South Dakota Sales Congress Is Held at Huron

HURON, S. D., May 6.—The South Dakota Association of Life Underwriters held its annual sales congress here. A. E. Nickelson, Sioux Falls, vice-president of the state association, presided at the general session after an introduction by President A. W. Palm of Huron.

R. B. Hull, managing director National association, at the opening session gave his address on "Life Insurance, the Backlog of American Thrift." Gene Denning, Huron; J. A. Norris, Aberdeen, past president; Former Commissioner W. J. Dawson and E. W. Lemonds, president Sioux Falls association, were other speakers.

Speakers at the closing session were H. J. Gilbertson, manager Penn Mutual Life in the Dakotas; E. E. Kneedy, sales manager Midland National Life; A. D. Milligan, Aberdeen, and A. R. Ferguson, Watertown.

C. W. Poole, Equitable Life of New York, presided at the banquet. About 70 attended. Special entertainment was provided by a group of singers and dancers from Huron. President F. L. Eversull of Huron College delivered the main address, he "pinch hitting" for R. A. Trubey, Fargo, who was unable to appear. J. D. Simpson, North Dakota manager Minnesota Mutual Life, also spoke.

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### Strong in Two Talks

Ricks Strong, Dallas, president Texas Life Underwriters Association, spoke at meetings of the Corpus Christi and the Beaumont life underwriters associations. At Corpus Christi he discussed "The Origin and Philosophy of Life Insurance." At Beaumont he spoke on "Economic Security." Mr. Strong stressed the importance of life insurance as a means for securing economic security for the assured and his loved ones, the need for informing the public of its services, and the value of the arousing of the public mind to the need for economic security.

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### Missouri Meet May 13

KANSAS CITY, May 6.—The Missouri Association of Life Underwriters will meet in Jefferson City, May 13, to elect officers. On May 14, the Columbia and Jefferson City joint sales congress will be held in the latter city. Appearing on the congress program will be Adam Rosenthal, Connecticut Mutual, St. Louis, who will talk on "Settlement Options;" C. D. Cowdery, assistant trust officer Boatman's National Bank, St. Louis, "Life Insurance Stock Liquidation Trust Agreement."

Governor Stark will appear at the

**MEN  
OF  
ACTION**  
REPRESENT A COMPANY  
RECOGNIZED EVERYWHERE AS

**"One of  
the Best"**  
**CENTRAL LIFE**  
**ASSURANCE SOCIETY**  
**DES MOINES, IA.**

### "Sweetest Income in America"

**THAT'S** what a "big time" life underwriter said of the side commissions obtainable from selling income protection.

Increasing Life writings at the same time you sell income protection depends on a plan.

Our book "The Sweetest Income in America," outlines this plan now in successful operation in a number of Inter-Ocean Agencies.

If you are interested in an H & A connection with us, write for this booklet.

**Inter-Ocean Casualty Co.**  
12th Floor American Bldg.  
Cincinnati, Ohio



noon luncheon. Superintendent O'Malley will talk at the morning session. In the afternoon, Leon Fink, Equitable of New York, Kansas City, will speak on "Social Security as an Aid to Life Insurance Sales."

\* \* \*

#### Hedges to Give Talks

H. A. Hedges will speak to the Lincoln (Neb.) Life Underwriters Association May 19, and the Oklahoma City group May 22. Mr. Hedges is Kansas City general agent of the Equitable Life of Iowa and is a National association trustee.

\* \* \*

**Des Moines**—A joint meeting with the Des Moines chamber of commerce will be held May 7. R. B. Hull, managing director National association, will speak on "Real Security—the Backlog of American Thrift."

\* \* \*

**Springfield, Ill.**—R. B. Hull, managing director National association, addressed a joint meeting of the Kiwanis Club and the life underwriters on "Life Insurance—the Backlog of American Thrift."

\* \* \*

**Hamilton, Ont.**—The association was highly praised by S. F. Muter, president Canadian parent body, at a luncheon. He described the local group as one of the most active and efficient in the Dominion.

\* \* \*

**Colorado**—Very Rev. Paul Roberts, dean St. John's Cathedral, Denver, will speak at the "early-bird" breakfast to introduce Life Insurance Week.

\* \* \*

**Little Rock, Ark.**—H. H. Conley, Jr., New York Life, will be general chairman for Life Insurance Week.

\* \* \*

**Los Angeles**—Since June 30 of last year the Los Angeles association has increased its membership by more than 100.

\* \* \*

**Cleveland**—Two interesting speakers will be presented at the meeting May 14—Edwin A. Olson, president of the Mutual Trust Life, Chicago, and T. P. McAuliffe, Detroit, author and lecturer. Mr. Olson will discuss the general subject of life insurance, while Mr. McAuliffe, who is the armless golf champion of the world, will take as his subject, "There is No Handicap in Life Except a Mental One."

\* \* \*

**Toronto**—C. P. Dawson, educational committee chairman Life Underwriters Association of New York City, will speak May 13 in the series of lectures being given every Thursday by the organization.

Mr. Dawson will discuss "Prospecting" at the morning session and "Organization in Selling Process" at the afternoon meeting. There will be a luncheon. He is production manager of the Beers agency New England Mutual in New York.

\* \* \*

**Wichita, Kan.**—Rev. Fred Condit gave an inspirational talk. Leo R. Porter, secretary Kansas association, spoke on the annual sales congress being held in Topeka May 7-8. N. D. Stenseth, Business Men's Assurance, was named Life Insurance Week chairman.

\* \* \*

**Hutchinson, Kan.**—O. L. Miller of the Union Central Life's real estate and mortgage department, spoke. Don Darnell, United Life of Kansas, was named chairman Life Insurance Week.

\* \* \*

**Indianapolis**—James L. Rainey has been named general chairman of Life Insurance Week.

\* \* \*

**Davenport, Ia.**—Tax imposed on life insurance premiums, originally designed to defray operating cost of the insurance commission, brought approximately \$1,750,000 into the general fund in 1936, according to Commissioner Murphy, who addressed a joint meeting of the association and Davenport Advertisers Club. "The appropriation for operating our department was approximately \$44,000," he said. "The balance helped swell the coffers of the state." Like most taxes, he explained, the one imposed upon life insurance premiums had "gotten out of hand" and instead of fulfilling its original function it now produces a substantial revenue to the state.

## COAST

### Managers Are Held at Fault

**O. J. Lacey Points to Corrections Needed in Management Practices to Avert Failures**

Urging that service as well as education be emphasized during Life Insurance Week, O. J. Lacey, president California-Western States Life, principal speaker at a "Life Insurance Week Plan" luncheon of the San Francisco General Agents & Managers Association, pointed to the need for proper training of agents and said it is the fault of general agents and managers if agents go out merely "seeking apps" instead of rendering service. Less than one-fourth of the men who go into the business succeed and one-fourth of those who do succeed do not earn more than \$55 to \$60 a month the first two years. The first answer to this, he said, is that they were not properly selected—the proper yardsticks were not used.

#### Yardsticks Outlined

In discussing "yardsticks," he said there are two parts: First, only men of whom the general agents and managers can be proud should be recruited, otherwise they will be like a faulty cog in a wheel and will grate. The second question is whether or not the general agent or manager genuinely likes the recruit to the point that he grows on him more and more. "If not," he said, "do not take him into your agency, because your other agents will not like him."

The second answer to failures in the business is that agents are not given the proper ideal. They should be taught that they are building a customer clientele, not going out to merely write anybody and everybody. The third requisite is to see that they receive adequate office and field training. If it is necessary to serve an apprenticeship in order to run a lathe, surely it is more important that agents should serve an apprenticeship and be properly trained when they are working with human beings.

The fourth point is proper supervision, which can be obtained only by a daily report system summarized weekly. "I challenge any man to fail," he said, "who sees enough people each week to add one new client to his list or to induce his present clients to purchase more insurance."

#### Managers Are at Fault

"We do not turn out successful men because the general agents and managers are just as much or more at fault than the men through their failure to observe the proper requirements of organization, selection, supervision and training, and there is," he said, "no practice indulged in in the field for any length of time unless that practice is allowed to go on by the home office."

V. T. Motschenbacher, chairman of the association, presided. Other speakers were: T. A. Gallagher, president of the San Francisco Association of Life Underwriters, and F. J. Van Stralen, chairman membership committee.

Nels J. Nelson, manager Reliance Life, was presented a 100 percent association membership certificate by President Gallagher and it was announced that the Northwestern Mutual agency under R. J. Shipley had also completed 100 percent association membership and would be presented a certificate.

#### Fight Palo Alto Ordinance

Companies and agency organizations representing all branches of insurance are aroused over a proposed ordinance to be voted on in Palo Alto, Cal., May 11. Called an "anti-peddling ordinance," it aims to prevent any person from calling on another for the purpose of soliciting business, unless definitely invited to call for such a purpose.

It has been stated that the measure

## Life Insurance Opportunity in Illinois

A legal reserve life insurance company with thirty years of successful operation offers an unusual opportunity for a man with a clean and successful record.

The man we are looking for will be not more than fifty years of age. He must have a good knowledge of life insurance, a car, and some local connections, as his work will be the appointment and training of new agents.

The compensation will be a salary and expenses, with suitable bonus for performance.

Correspondence is invited. Please give us any pertinent personal details and a brief resume of your business experience, particularly in the life insurance business.

**ADDRESS F-73  
THE NATIONAL UNDERWRITER**

\*A typical experience record which illustrates how the "Golden Rule Contract" boosts an agent's earning in a given territory.



## Magnified OPPORTUNITIES

What future does your territory hold in store for you? This man never really knew until he saw his field through the "Golden Rule Contract." Living in a city of 75,000 population he earned, last year, future renewals on half a million of insurance produced by men he recommended to the company and a cash bonus of \$1040 on their efforts. Added to this substantial income he had commissions on his own personal production with vested renewals for 15 years. . . The Golden Rule Contract offers the same opportunity to every good producer.

\*Name furnished as those interested in this contract.

*The* **COLUMBUS** *Mutual Life*  
INSURANCE COMPANY  
*Columbus, Ohio*

was promoted by petition to prevent "outside peddlers" from "ringing Palo Alto doorbells," but it is declared to be so broad in scope that it bars even residents from conducting solicitation activities. Newspaper circulation subscribers or even canvassers of local stores would be hit by the proposed ordinance, in addition to practically preventing sales activities of insurance agents.

Fight against the measure is being led by W. Stanley Pearce, advertising manager Fireman's Fund, who is a resident of the city.

### Sun Life Men on Coast

E. L. Earl, assistant secretary and head of the claims department of the Sun Life of Canada, visited the San Francisco agency under Manager V. T. Motschenbacher. Mr. Earl also spent some time in Los Angeles.

Allan Coughtry, superintendent of the group department, also was in San Francisco in conjunction with the group department recently established there in charge of A. H. Hotson.

### Address Graduate Students

T. A. Gallagher, Prudential, president San Francisco Life Underwriters Association, delivered the first of two addresses before the graduate school of business administration at Stanford University, May 4. His second is being given May 7. His subject is "Technical Phases of Life Insurance." Later this month C. W. Peterson, San Francisco manager Phoenix Mutual Life, will speak to the class on "Life Insurance Salesmanship."

### Hearing on Twisting Charge

On May 13 the California insurance department will hear a complaint filed by the Benjamin Franklin Life, a Los Angeles "stipulated premium" company, against an agent of the Prudential. The charge is twisting. An informal discussion was held in Commissioner Carpenter's office in San Francisco. Deputy Commissioner Beckett advised the participants to consider the allegations seriously and adjudicate the differences if possible.

### Celebrate Record April

The best April in six years for the Spokane, Wash., agency of the Sun Life of Canada, with \$446,000 new business written, and about \$300,000 paid for, was celebrated with a banquet. Nine agents pledged \$215,000 for the next month.

F. B. Macorquodale, superintendent of agencies for western United States, spoke. Carl E. Harris, Lewiston, Ida., was toastmaster.

### Play-off Necessary

A play-off in the Phoenix Mutual Life's Pacific Coast baseball league production campaign is necessary as the San Francisco and Los Angeles agencies are tied.

## CHICAGO

### LIFE WEEK PLANS MADE

Life Insurance Week promotional preparations in Chicago under direction of P. B. Hobbs, agency manager Equitable of New York, are highly organized. The week will be started by a breakfast in the Hotel Sherman at which Claris Adams, president Ohio State Life, will speak. Samuel Lustgarten, agency manager Equitable of New York, is breakfast chairman.

Speakers for clubs and organizations have been arranged by a committee headed by F. J. Bray, New England Mutual. A letter writing contest will be conducted in 82 public and parochial high schools in Chicago. Mr. Bray also directing this activity with Miss Lorraine Sinton, Mutual Benefit, as co-chairman. In addition to the \$1,525 Na-

tional association prizes offered, the Chicago association offers \$130.

There will be distributed 2,500 easel posters by a committee of 65 under Chairman C. E. Lindstrom. Harry T. Wright, Equitable of New York, promises cooperation of radio sponsors. A professional publicity man has been retained to make the most of the week.

Women will be rallied through a committee headed by Sara Frances Jones, Equitable of New York. Many individuals and agencies will run "tie-in" advertising during the week, in addition to the National association advertising.

\* \* \*

### PARIS PICTURES FOR CLAIM MEN

The Chicago Claim Association will hold its final meeting of the season May 12, with a dinner on the dining cars of the Milwaukee road at the Union Station. This will be the annual ladies night and wives of members will be guests of the club.

Following the dinner, a meeting will be held in the auditorium at the Union Station, when Victor Kleber will show motion pictures of Paris and the International Exposition to be held there this year and George A. Egan, superintendent of claims of the Checker Cab Company, will show a number of pictures illustrating methods of detection of crooked claimants.

\* \* \*

### HANDLE ZION AREA

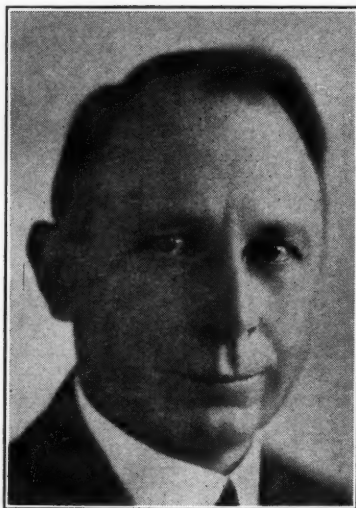
J. C. Caperton, Chicago general agent State Mutual Life, has appointed the Zion agency, district managers for Zion, Ill., and vicinity.

J. B. Leech is manager of the Zion agency. This is the first life insurance connection for the city of Zion.

### Ban Against Hammond Outfit

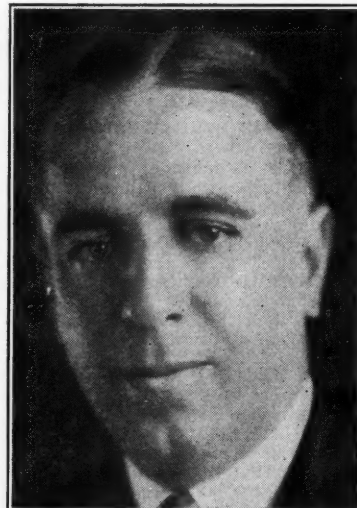
Insurance Superintendent McNairn of Ontario has issued a ban against Cosmopolitan Mutual Benefit of Hammond, Ind., an assessment outfit. He states that it is not licensed in Ontario and he objects to it being allowed to advertise in newspapers in the province. He said it is the public interest of Ontario people not to patronize this concern.

## Two Associated in Chicago



C. O. REYNOLDS

J. A. Lyon, well known agency supervisor of Chicago, who has been connected with the Mutual Life of New York almost continuously since 1924, has been appointed associate general agent by C. O. Reynolds, general agent Lincoln National, Field building, Chicago. Mr. Reynolds has been a general agent of that company in Chicago for nine years and has been building his office slowly but steadily. He plans a more intensive recruiting and training program and also will go after brokerage business on a larger scale. Mr. Lyon



J. A. LYON

has many brokerage connections. He started with the D. A. Day office of the Mutual of New York, in 1926 going with Samuel Heifetz, manager of the same company, as agency supervisor and statistician. Three years ago he took charge of the life department of G. A. Mayon & Co., Chicago, and later organized a life department for Young & Turner of Chicago, who represent the Mutual Life. The Reynolds agency reports 24 percent increase in business for the first quarter of 1937 as compared to the first quarter of 1936.

## VIEWED FROM NEW YORK

By R. B. MITCHELL

### WOULD INCREASE SALARIES

A measure now before the New York legislature, held certain of passage, would increase the limit of salaries to be paid chief examiners of the insurance department to \$9,000 per annum, instead of the present top figure of \$7,500. Examiners, under the grade of chief, receive any where from \$2,500, the starting figure, to \$5,000, according to their proven ability and length of service.

\* \* \*

### LYTER TALKS TO SUPERVISORS

F. O. Lyter, assistant superintendent of agencies Connecticut Mutual Life, will talk on "Supervising the Trained Agent" at the meeting of the New York City Life Supervisors Association May 18. Constitution changes approved at the last meeting will be voted upon.

\* \* \*

### McELHINNEY BACK IN N. Y.

W. J. McElhinney, since 1934 cashier for the Prudential in Philadelphia, has returned to New York City as cashier of the H. L. Wofford agency for the Prudential. Mr. McElhinney began his insurance career with former Hart & Eubank agency in New York in 1925 and went with the New York brokerage firm of Johnson Higgins in 1929 when Gerald A. Eubank became their life manager.

\* \* \*

### KNIGHT AGENCY TOTALS

The Charles B. Knight agency of Union Central Life in New York had a total paid business for April of \$1,525,023 and a total business for the first four months of \$7,676,054.

\* \* \*

### BOOKSTAVER AGENCY AHEAD

Elias Klein, Manager Joseph D. Bookstaver agency, Travelers, New York, reports an increase of 93 percent for April and an increase for the year to date of 49 percent. A production campaign is now under way to qualify agents for a motor sightseeing tour to the home

### Heads Home Life's New Agency in New York City



D. D. JOHNS

The Home Life of New York has appointed D. D. Johns as a general agent, with offices located in the home office building at 256 Broadway, New York City. The establishing of this new agency, which is in addition to several now operating in New York, is in furtherance of the company's multiple plan of agency development in major cities.

Mr. Johns has been in the life business since 1926, becoming an agent for a mid-western company shortly after leaving Drake University, Des Moines. He went with the Home Life in April, 1935, as an agency field assistant, and in November, 1935, was made manager of the home office sales division.

office in Hartford late in June. It is expected that this contest will result in another substantial increase for the current month.

\* \* \*

### MYRICK AGENCY GAINS

The J. S. Myrick agency of Mutual Life of New York in New York City paid for \$2,466,234 in April as compared with \$1,707,829 in April, 1936. For the year to date the agency's total paid business amounted to \$9,977,108 as against \$7,695,449.

\* \* \*

### ISSUES ESTATE GUIDE

The Luther-Keffer agency of Aetna Life in New York has issued a valuable condensed guide to the descent and distribution of estates under the New York state decedent estate law.

### Labor Troubles Affect Big Policies in Strike Centers

NEW YORK, May 6.—The effects of sit-down strikes in industrial localities in various sections of the country have shown up in the number and size of applications coming in from cities which have been the scenes of labor strife. Apparently it is not that the buyers of substantial lines of insurance in these localities are so much worried about the future, although most of them are very definitely concerned, but that they have far too much on their minds of extremely immediate concern to give time to a calm consideration of a life insurance program.

Big life insurance buyers in New York City, generally among the most jittery in their reactions to disquieting conditions at home or abroad, do not seem to be particularly concerned about the effect of the labor situation. At least they are able to think about other things, sometimes including life insurance, for brief periods. Some large lines of insurance have been placed here recently.



## State Uniformity Is Badly Needed

(CONTINUED FROM PAGE 3)

takes one out that he has qualified as a prospect by investigation.

Every real prospect is entered on cards: The first white, with name, address, age, filed alphabetically, and indicating where the other cards are filed; the second pink, containing all information, filed by monthly date; the third, buff color, bearing only name, address and age, and used to send age change letters pointing out saving on a specific plan proposed, and also a birthday card. A fourth card contains premium data, payments, loans, etc., relating to policyholders. He said he never has to "play solitaire" as every day's work is automatically planned. Generally, every card becomes a policyholder within 18 months to two years, or is eliminated.

Near the end of each month he plans the next month's work, with policyholders and new prospects about half and half. He then transfers these to a work sheet. He starts out each morning with twice as many cards as he feels he can handle; 124 calls a month, he said, are not too many to make. He maintains a complete daily work record. He sends 50 pre-approach letters every week. Since Nov. 15, 1936, he has mailed 893 letters, received 96 replies, contacted 83 of these, submitted \$72,500 of business written on them, paying for \$32,500 to date. He expects 12 more applications from this series. Commissions received to date on this business total \$301, a net profit of \$246.

### Analyses His Work

Mr. Buckley always recommends the minimum amount of insurance needed. He never attempts to oversell the prospect. He prepares an estate analysis and proposal, reading it to the prospect, never leaving it to be read later. Last year he averaged 29.12 calls a week, contacted 18.35 times per week; six were policyholders, eight old prospects, four new prospects. He averaged 12.07 hours a week in the field, of which 5.31 were in actual interviews; 23 hours a week in the office. He paid for about two cases a week.

In the first 13 weeks this year he averaged 57 calls a week, 35 actual contacts (11 policyholders, 14 old prospects and 10 new); interviews averaged 16 a week (six service, two fact sheets and eight selling); he spent 20 3/4 hours a week in the field, 8 1/2 hours in interviews and 23 hours in the office. Paid for business was 40 percent ahead of the best similar period in the last five years.

### Company Official Talks

C. O. Fischer, vice-president Massachusetts Mutual, gave a "home-coming" talk, having originated in Aurora. His subject was "You, the Salesman." He discussed education, saying knowledge is acquired faster than it can be used. He feels rarely is failure in selling life insurance due primarily to lack of knowledge. "A determined soul can do far more with a rusty monkey-wrench," he said, "than a loafer with a kit of fine tools." Attainment always falls short of plans. The best plans and educational effort are chargeable to the debit side unless action is put into them. Good ideas must be translated into action. That is the great barrier and stumbling block of most agents. The great problem is to get men into action and keep them so. Mr. Fischer said this sums up his conclusions from 23 years' experience in the business.

Agents dislike going out to battle. Getting started on the task is difficult. It is largely a personal problem. General agents and managers can't push him out into the presence of prospects. Their functions stop with training him, correcting his mental attitude, getting him rearranged on a sound economic basis, etc.

The problem, then, revolves around development of proper character traits. Among factors are health, environment, etc., but most important, are will and

habit. He quoted T. A. Buckner, chairman New York Life, as authority for the statement that good work habits can be acquired by development of a routine. They become natural and automatic after a while. Agents must become habitual workers if they are to succeed. This can be done by exercising the will every day. The agent must force himself out into the field every day, and must watch and check himself constantly until the right work habits are formed.

Retiring President H. M. Solenberger, Springfield, in the afternoon session introduced President-elect H. M. Lateer and other new officers. Past President A. P. Shugg of the St. Louis Association, national committeeman, spoke, announcing determination to secure the 1938 national convention. He introduced J. G. Callahan, chairman of the St. Louis committee in charge of this project, who asked for support of Illinoisans. The last national convention held there was in 1916. He said \$5,000 to \$6,000 already has been subscribed for local expenses. Mr. Callahan said probably there are more local associations within a day's journey from St. Louis than any other city in the country.

### New President Is Installed

Mr. Lateer was installed and conducted the afternoon speaking program. Mr. Lateer called for members to stand for a moment in memory of C. E. ("Tommy") Thompson of Peoria, who died not long ago.

B. J. Stumm introduced M. F. Schwinn, special agent Northwestern Mutual at Beaver Dam, Wis., who spoke on "Rural Selling." His talk was plain but gripping, being an exposition by the case method, teaching by illustration rather than admonition. He said the agent in selling in the country must dress plainly; neatly, but the white collar should be left at home. In the minds of rural people that is an indication the agent thinks he is better than they are and came merely to get their money. He told incidents of his selling experience. He directed a community dance, leading off by selecting a poor farm woman for his partner in the first dance. He later wrote the husband two policies. On another occasion he called on a farmer on a stormy night, not mentioning life insurance during a three-hour stay but merely visiting. He was invited to return two evenings later, and again told stories and chatted until 10:30 p. m., then brought up the farmer's problem as to his family's welfare if he should "die tonight." He sold \$10,000 ordinary life. A direct approach, he said, would have failed. There were many other simple incidents of his country selling experience related, all graphically demonstrating that the agent who hopes to sell in the country must know farmers' psychology, become a part of the life and give of themselves unselfishly.

The agent can render real service in his community by taking active part in 4-H club work, Mr. Schwinn said. There is nothing more beneficial to children than the 4-H club.

R. B. Hull, managing director National association, wound up the congress with his talk on "The Backlog of American Thrift." He intimated that Mr. Schwinn's talk had made so deep an impression that the Wisconsin agent might be drafted for the National program this year. Prefacing his set address he urged concentrated effort during Life Insurance Week. He commented on the Loneragan amendment in Congress to " earmark" life insurance proceeds for payment of estate taxes, and urged support if it is decided to seek the legislation this year. He also noted the new book, "Life Insurance Speaks for Itself," by M. A. Linton, president Provident Mutual, which the National association is assisting to push as the best answer to attacks on life insurance.

Mr. Hull said rearrangement of government to meet modern needs should be

done under constitutional form of government. It is the only way the objectives can be reached. Readjustment may be needed, but this should not be radical in form.

Mr. Hull paid respects to a life insurance man who, since he has been with the National association traveling the country, often urging the benefits of income protection, cold-canvassed Mr. Hull, secured his policies for analysis and disclosed that most of the insurance was payable in lump sum. This agent showed how \$96 a year could be saved by changing from quarterly to annual premium basis. Mr. Hull added \$4 and bought a \$100 annual premium retirement annuity. He bought two contracts for his daughters, guaranteeing they never would be destitute. He made the point to emphasize the agents responsibility; that if a man professionally engaged in a life insurance organization had not become aware of the principle of income protection, the layman scarcely could be expected to have gained a true appreciation of its importance in human life.

He said the social security act has made many people not only income conscious but monthly income conscious. It has done what life officials and agents have worked hard to do for many years. The standard of living set up, however, is pitifully low. This creates the urgent demand for life agents to complete the job and thus to prepare the shock-absorber for the next depression.

## Fortieth Anniversary Is Now Being Celebrated

(CONTINUED FROM PAGE 3)

work in various departments, the larger portion of this being in the medical department. The following nine years he was manager of publicity and supplies. His contacts with the field led to his appointment as assistant manager of agencies, which post he held for two years before being made manager of agencies. Five years later he became second vice-president and manager of agencies, and for the past eight years has been vice-president and manager of agencies.

## Place Obligations Ahead of Rights, Duffield Urges

(CONTINUED FROM PAGE 3)

the imperativeness of the "ought," in order that someone else may benefit therefrom.

"We have a special responsibility to see that we continue in the discharge of our duties to place our obligation ahead of what we may call right," he declared.

Illustrating his point, Mr. Duffield told of a coast-guard surf boat crew which was about to set out to rescue the crew of a distressed ship. A new man, fearful of the offshore wind and high sea, urged the captain to call off the attempt, since it would very likely be impossible to get back to shore. The captain, however, said:

"It is necessary that we go out. It's not necessary that we return."

Other speakers were Dr. H. N. Davis, president Stevens Institute of Technology, and the Rev. Archibald Black, pastor First Congregational Church, Montclair, N. J. The Rt. Rev. B. M. Washburn, D. D., bishop of the diocese of Newark, pronounced the invocation.

## Deductions Not Barred

NEW YORK, May 6.—The statement that the New York insurance law requires companies to fix their fractional premium rates high enough to make it unnecessary to deduct the unpaid balance of annual premiums from death claims, which appeared in an article on salary savings insurance in the April 2 issue of THE NATIONAL UNDERWRITER, was erroneous. Though many companies follow this practice of not deducting unpaid fractional premiums, they are under no legal compulsion to do so. In order to avoid discrimination against

annual premium policyholders the extra charge for quarterly and semi-annual premiums includes not only a loading for the extra expense involved and the loss of interest as compared with annual business but also the non-payment of the remaining fractional premiums for the year during which death occurred.

D. J. Wilson, Equitable Life of New York, has been reelected mayor of Hutchinson, Kan. He is the first mayor to win a second term in 14 years.

## Personal Production

Is a necessary foundation in building a successful General Agency. But—

Agency Building is a highly specialized career.

Our plan for General Agency building is as definite as the best methods in training personal producers.

If you are a proficient personal producer, and ambitious to build a General Agency, investigate our plan for training General Agents.

## REPUBLIC NATIONAL LIFE INSURANCE COMPANY

Home Office:  
Dallas, Texas

THEO. P. BEASLEY  
President and General Manager

Outstanding  
by any  
STANDARD  
of  
COMPARISON

70<sup>TH</sup>  
Anniversary Year  
1867 - 1937

EQUITABLE LIFE  
INSURANCE COMPANY  
OF IOWA

## Move Is Dangerous to Lower Interest

(CONTINUED FROM PAGE 1)

and thus lower interest is available if desired.

It was pointed out that it is unfair and inequitable to the majority of non-borrowing policyholders to have their contract results made less satisfactory by reducing policy loan interest. Another point made by life insurance men is that by and large even the borrowing policyholder's interests would not be served by reducing the interest rate, for to make it easier to borrow money on a policy jeopardizes the protection.

Policy loans are different from bank loans because the policyholder is given a contractual right to borrow upon demand the maximum loan guaranteed in the policy, usually without notice, and to repay the loan in whole or part at any time and without notice, or for that matter, he may fail to pay even the loan or the interest without any other result than eventual voiding of his policy.

The company cannot refuse to make the policy loan. It is therefore believed the interest charge should be such as to discourage borrowing and encourage repayment of loans. An important fac-

tor is that the policy contract usually extends for periods of as much as 50 years and any policy loan interest rate provided must continue to apply during such long distances into the future.

It is presented that cash surrender and loan privileges guaranteed in policies are secondary and incidental to the protection and should not be encouraged to the prejudice of the primary purpose. Low interest rates encouraging policyholders to borrow, would impair needed family provision, since the loans in effect are a borrowing from beneficiaries. There is grave social import in any condition that results in voluntary or involuntary termination of life policies. Life companies while recognizing the loan privilege is of great convenience to policyholders, endeavor to educate policyholders first as to undesirability of such borrowing, except as a last resort, and second, to the desirability of repaying policy loans as soon as possible.

### Injects Competitive Factor

To reduce the interest rate might result in a condition of heavy borrowing from the life companies at times when ordinary commercial loans could not be obtained or would be available only at high interest rates. Such a situation arose in 1933 with closing of the banks. The life companies were embarrassed, a number seriously so, and some even

failed because they were unable to realize quickly enough upon assets and had to sell at best in the depressed market at serious loss in order to satisfy abnormal demand for policy loans and surrender values. Such a condition would be accentuated by lowering the policy loan interest rate.

It is also possible that in time of financial stress the general borrowing rates may increase above 6 percent, but the life companies are limited to that figure. Under such a condition the companies would have to change their investments in favor of short term with greater liquidity. The life insurance institution is built on a long term formula with maturities staggered to meet obligations when they fall due. Change from this investment policy, it is presented, would be distinctly harmful to the economic progress of the country as a whole. Companies and policyholders also would suffer because interest return on short term investments usually is much lower than on long term.

### Should Hold to Minimum

Keeping policy loans to a minimum is beneficial to the country, since it leaves a larger proportion of company funds available for other borrowers, such as government, municipalities, mortgagors, etc., a condition highly desirable in depression times when there is urgent need of credit. In time of prosperity low policy loan interest would encourage borrowing for speculative purposes and also would enlarge an already over-expanded credit situation. It is felt these are dangers which should not be assisted by legislation. Maximum interest rates for policy loans should be fixed at a point that does not involve companies in financial danger. The brief holds the lowest safe point appears to be 6 percent and the maximum probably 7 percent.

### Policy Loans Disadvantageous

When money is scarce and general interest rates reach levels higher than 6 percent, demand for policy loans increases rapidly and companies are forced to advance the funds when they could be more advantageously employed in other investment channels. On the other hand, when money is plentiful, general interest rates low and other sources of borrowing readily available, policy loan applications diminish and extensive repayment of the loans occurs, obliging companies to reinvest such funds at prevailing low interest rates. The fact that a policyholder can demand a policy loan at any time and repay it whenever he desires works to the disadvantage of companies and policyholders which would be accentuated if the rate were lowered.

An important factor presented is that policy loans although aggregating a large sum individually are of very small amounts, many of only \$20 or so. The handling expense is necessarily high. A material proportion of the interest rate on policy loans must be looked upon as expense charge.

### Find 6 Percent Necessary

Cash surrender and policy loan values in existing life contracts are high and generally regarded by companies as over-liberal, a scale that could not have been granted at a maximum interest rate on policy loans below 6 percent.

It is argued that since life companies are emerging from a severe testing time which has enhanced their prestige, and have withstood heavy pressure for five years, discharging all their obligations faithfully, this record should be permitted to be maintained. Investment losses have been heavy and heavy policy loans and cash value demands have led to increased terminations of business in force. The effects probably will be felt for some time.

Interest rate reduction even for a limited period will accentuate company difficulties, reduce the earning power, increase policy loans and terminations and delay advantages to policyholders that full recovery will bring. Finally, it is held that when banking credit is needed there is no necessity for legislation to

compel granting policy loans at a rate lower than the maximum interest provided by law for commercial loans since normally a policyholder can borrow from a bank on the security of his policy amount within the cash surrender value at prevailing rate of interest for commercial loans.

## Warns of Delay on Rail Problem

(CONTINUED FROM PAGE 3)

its apparent readiness to approach the discussion of proposals and claims with an open mind respecting the state of the industry and the economic realities affecting it. Railway labor, he said, is more thoroughly identifying itself with the fortunes of the industry as a business rather than a creature of Congress or the Interstate Commerce Commission.

### Deplore Rate Strife

The speaker said he deeply regretted that the ceaseless war between those who buy and sell the transport service seems to go on without much hope of abatement.

"Can there be no scientific rate making?" he asked. "Can't we arrive at a reasonable compromise of conflicting interest without constant bickering? Clearly we must not expect the railroad to survive an erosion of its rate structure which comes to no end."

## Boom for Harry Wright Is Now Well Under Way

(CONTINUED FROM PAGE 2)

cago Association of Life Underwriters, presided. He recalled that Mr. Wright had been with the Equitable since 1907 and that this year he is completing 30 years in that company's service. For the past 13 years he has been a million dollar producer. His average annual production has been \$1,300,000. He has averaged 120 cases a year and he led the Equitable in paid premiums in 1936.

A. E. McKeough, W. A. Alexander & Co., vice-president Chicago Association of Life Underwriters, was designated as chairman of the steering committee in the campaign for Mr. Wright's reelection. Mr. McKeough spoke a few words in appreciation of the guest of honor.

P. B. Hobbs, manager Equitable Life of New York in Chicago, who is chairman of the nominating committee of the National association, suggested that the proper procedure would be for those who favor Mr. Wright to make their desires known in letters to members of the nominating committee.

C. M. Cartwright, THE NATIONAL UNDERWRITER, and A. L. Kirkpatrick, Chicago "Journal of Commerce," spoke in appreciation of Mr. Wright as did Mr. Woody. Mr. Wright responded briefly.

Mr. Wright's record for the last 13 years in respect of volume and premiums is:

Year	Volume	Premiums
1924	\$1,012,221	\$38,179
1925	1,197,292	33,799
1926	1,342,963	41,602
1927	1,555,201	56,530
1928	1,800,675	52,230
1929	1,459,217	44,217
1930	1,200,714	37,322
1931	1,247,441	39,810
1932	1,006,170	34,439
1933	1,067,103	30,142
1934	1,044,451	37,200
1935	1,526,969	73,525
1936	1,343,442	70,949

Last year his total production consisted of 96 cases, with premiums of \$81,000 and volume \$1,560,000. Four cases were for \$1,000; 11 between \$1,000 and \$2,500; 28 between \$2,500 and \$5,000; 20 between \$5,000 and \$10,000; 9 between \$10,000 and \$15,000; 8 between \$15,000 and \$25,000; 13 between \$25,000 and \$50,000. He had one case for \$120,000, one for \$125,000 and one for \$250,000.

His paid business so far this year is \$780,000 with \$25,000 in premiums.

Get a social security slide rule. \$1. Order from National Underwriter.

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## LEGAL RESERVE FRATERNALS

### Leaves the Modern Woodmen

Ralph B. Styer Resigns as Chief of the Field Department at the Head Office

Ralph B. Styer, chief of the field department of the Modern Woodmen, has resigned effective June 1. He desires to continue in sales or agency organization work. He graduated from the University of Nebraska in 1925 and spent two years with the Pictorial Review Company of New York City as field sales supervisor. The last 10 years he has been with the Modern Woodmen as assistant to the president and the national field secretary in the home office. His time has been devoted to sales promotion work, including the preparation of agency contracts, sales manuals and production bulletins. He also handled correspondence with state and district managers and agents pertaining to field work programs and sales campaigns.

### Action on Juvenile Policies

The insurance committee of the Connecticut general assembly reported favorably on a bill allowing fraternal to insure children of non-members. This follows the passing of a law in 1935 permitting fraternal to insure the children of members.

### Tax Question Being Debated

The U. S. circuit court of appeals has under advisement the question whether state or federal courts in Missouri should have jurisdiction over suits of the state against fraternal to collect premiums tax. The matter was argued before the court at St. Paul last week. Fifteen pending suits affect about \$2,000,000 in such taxes.

## The Record Tells the Story

No Reduction in Dividends

During the Depression

A SPECIAL DIVIDEND TO MEMBERS

After the Depression

A Good Organization to Line Up With

**Lutheran Mutual Aid Society**

Waverly, Iowa

Legal Reserve Life Insurance

### Illinois Figures for 1936

State Insurance Department Gives the Returns for Fraternal on Last Year's Operations

The Illinois fraternal wrote in new business in their home state last year \$29,476,544 and have in force in the state \$471,056,318, according to the state insurance department. Taking the field at large, the Illinois fraternal have in force \$1,748,116,300. The Modern Woodmen tops the list with \$631,802,225. The Royal Neighbors is second with \$406,902,762 in force. The next is the Polish National Alliance of Chicago with \$160,045,135 in force. The Catholic Order of Foresters has \$122,469,278. So far as Illinois is concerned, the state leaders are as follows:

	New Business	In Force
Bohemian Amer. Un.	\$66,150	\$1,113,257
Catholic Knights & Ladies	53,500	2,816,725
Catholic Order of Foresters	1,135,450	34,854,704
Chi. Fraternal Life	158,398	6,895,424
Concordia Mut. Ben.	725,833	6,656,694
Czechoslovak Soc.	647,204	8,170,747
Fidelity Life	3,561,999	26,035,366
Firemen's Mut. Aid.	388,000	5,654,000
Free Polish Women	163,900	3,615,000
Carniolian Slovenian	273,940	5,583,671
Independent Order of Svithiod	284,100	5,354,135
Independent Order of Vikings	213,750	2,027,250
Italo-American Nat. Union	325,583	4,655,600
Modern Woodmen	5,255,526	97,321,236
Mut. Ben. & Aid.	189,500	2,281,000
North Amer. Union	994,838	7,855,990
North Star Benefit	257,938	2,952,529
Sons of Italy	309,400	1,394,000
Polish Alma Mater	591,156	2,976,641
Polish National	5,386,910	39,160,403
Polish Roman Catholic Union	2,108,932	24,441,195
Royal League	725,147	12,605,084
Royal Neighbors	3,150,575	96,852,683
Tri-State Counties Mut.	247,000	11,227,000
Western Cath. Union	249,274	6,389,740
Women's Catholic Order of Foresters	513,283	21,350,377

### Figures of Outside Companies

The non-Illinois companies wrote in new business in that state \$24,896,554 and have in force \$236,103,448. There is one foreign fraternal, the Independent Order of Foresters of Toronto, which wrote in Illinois \$487,220 last year and has in force \$5,659,230. The new Illinois business of all the fraternal for 1936 was \$54,860,318 and they have in force \$712,818,996.

The outside fraternal, leaders in new business, which wrote over \$1,000,000 in the state are the Aid Association for Lutherans, Appleton, Wis., \$2,212,454; Ben Hur Life \$1,787,481; Homesteaders Life of Des Moines \$1,543,809; International Workers Order of New York, \$1,084,055; Knights of Columbus, \$1,555,787; Order of United Commercial Travelers, Columbus, O., \$1,795,000; Woodmen of the World, \$1,975,218.

### Plan Committee Hearings on Fraternal Exemption Bill

Committee hearings are expected to be held soon on the bill introduced in Congress to exempt fraternal societies from payment of taxes under the federal social security act. Date has not been set for discussion of the proposed legislation, introduced in the House by Representative Sanders and in the Senate by Senator Sheppard.

If the bill is passed, fraternal office employees could still pay taxes from their salaries toward social security purposes, but the societies themselves would be exempt as they are from federal income tax. Some time ago the fraternal were held subject to the tax for their office employees. No action is expected to be taken until after the Supreme Court makes ruling on the constitutionality of the act. If the law is upheld there will be many bills introduced for exemption of various organizations and it was felt

wise for the fraternal bill to be introduced early, thus giving it precedence.

### C. O. O. F. Flood Relief Work

The Catholic Order of Foresters, Chicago, was another society that did much flood relief work among members in the Ohio river valley recently, appropriating \$10,000 for the purpose. Courts in this country and Canada responded unselfishly to the appeal for funds. T. H. Cannon is head of the order. A. Horstman was chairman of a special committee, that studied conditions at first hand in Cincinnati on several occasions, listing families in the flood area who needed financial assistance. Funds were distributed for rehabilitation purposes, this being found the most practical method.

### Ruess on Western Trip

William Ruess, chairman of the board of auditors, Woodmen of the World,

Omaha, is visiting various camps throughout the southern and eastern sections in preparation for the national convention at San Francisco in June.

### Would Take Over Cleveland Fraternal

The Ohio department has filed suit in common pleas court at Columbus to take over the Order of the Knights of St. Joseph, Cleveland fraternal. Its affairs are said to be in an unsatisfactory condition.

### Canada Life Millionaires

The Canada Life Millionaires Club is a group of producers who have \$1,000,000 or more of personal business in force according to the rules of the club. The current club includes 56 producers, nine of whom have been added to the ranks this year.

New Settlement Option slide rule. \$1.50. Order from National Underwriter.

## The A. O. U. W. of North Dakota

*Writes*

**All Forms of Modern Life Insurance Contracts**

ORDINARY LIFE  
LIMITED PAY  
ENDOWMENTS  
FAMILY INCOME  
JUNIOR INSURANCE  
DOUBLE INDEMNITY

Non-cancellable Sickness and Accident Insurance.  
Operating on a Legal Reserve Basis

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## OUR 40<sup>th</sup> YEAR

January, 1937, We Issued Three New Junior Policies:—Ordinary Life, Endowment at Age 65 and Educational Endowment at Age 18. We have A Complete Line of Adult Policies—American Experience Table of Mortality—3% Interest Basis. Maybe You Will Fit Into Our Organization As A Field Representative.

*Write to*

**Equitable Reserve Association**

NORTON J. WILLIAMS, Vice President

**Neenah, Wisconsin**

## Continuous Gain Goal of Training

(CONTINUED FROM PAGE 1)

in school is meaningless unless it improves the child's activities in later life and training agents is without significance unless it actually improves the agent's work.

"Just as essential as imparting information is helping the pupil acquire skill in reading, writing, figuring, and other activities and to teach skill the teacher must first show the pupil how to do something," Mr. Stokes said. "The pupil cannot divide one number by another, for example, until the teacher shows him how. But the teacher does not stop, as some life insurance managers do, when he has shown the pupil how to divide. He observes the pupil do the same thing at the blackboard or on his scratch pad. And then he corrects the pupil's work and again demonstrates how the particular thing should be done. Over and over again the teacher observes and corrects the pupil until the pupil acquires the skill."

### Must Observe and Correct

"So, one way we can bring about continuous improvement in the work of the agent is by not only showing him how to secure prospects and sell life insurance but observing and correcting him in these activities over and over again until he has acquired skill."

Mr. Stokes said that even when managers go out with their agents to observe them on the job they may learn a good deal about how the agent approaches the prospect and gives the main body of his sales presentation but they rarely find out why the agent falls down in the all important matter of closing, for the manager almost invariably comes to his floundering agent's rescue and does his best to save the sale. It would be better, Mr. Stokes said, to pass up a few sales in order to find out why the agent is having trouble with closing his cases. The test of training is what the agent will do when he is left on his own. It must make the agent more competent as an independent operator.

### Place of Supervision

Continuing the classroom analogy, Mr. Stokes said that improvement in the school is made possible by supervising the activities of the pupil. He must go to school at a certain hour, recite when he is called upon, and complete homework that is assigned to him. Likewise, if training agents means actually bringing about improvement in their work and not just going through a sort of ritual of training activities, there must be some supervision by the manager of the agent's prospecting and selling activities.

"Still a fourth training activity in the school is motivation," he said. "The good teacher arouses the interest of the pupil in his work. Even before certain modern methods of making school activities pleasant and interesting were introduced, definite motivating methods were followed. The old fashioned spelling bee with its opposing teams on opposite sides of the room rested as surely upon certain ideas about motivation as does the sales contest in a life insurance agency today."

### Analysis Is Essential

"Finally an analysis of the pupil's capacity and his special needs for training is recognized by progressive educators as an essential part of the training process. Many sympathetic teachers in the past have attempted to guide pupils in the selection of a vocation and in taking those courses of study that will best prepare them for it. Vocational guidance today is an important branch of educational research and will undoubtedly play an increasingly greater part in the educational methods of the schools of tomorrow. The training of agents should likewise include an individual analysis of the needs for train-

ing and an appraising of the progress of agents."

The five-fold training program outlined by Mr. Stokes, while covering ground that is familiar to managers generally, is unusually thorough. Prospecting, for example, involves the imparting of not one habit but several. The agent must become firmly grounded in each of these.

### Steps in Prospecting

Getting names of potential prospects usually receives the principal stress but it is also essential that the agent form the habit of getting essential information, of recording this information, of determining with reasonable accuracy whether the prospects he obtains are good ones, that is whether they can pay, pass, have a need for insurance and are open to a favorable approach by him; and of working out appropriate life insurance programs. In other words, the agent must become schooled in every department of prospecting so that his increased skill shows up in the form of definite results.

Analysis is particularly essential in the training of agents but it must be searching and objective, insistent on finding out the basic causes of an agent's trouble rather than being satisfied with some superficial cause to which the blame may be ascribed.

### Reaching the Basic Trouble

For example, an agent might need a better sales talk than the one he is using, but his real trouble might be that his management of his time is so poor that even with the best possible sales talk he would be giving himself little opportunity to use it. The correct strategy would be to improve his time control and then school him in a better sales talk.

After developing the need of thinking of training in terms of improving the agent's work and of following lines similar to those developed in the schools, Mr. Stokes led a round table discussion of methods used by members of the class.

## Later Elected President of Illinois Life Association

(CONTINUED FROM PAGE 1)

H. M. Solenberger, president state association, general agent Mutual Benefit, Springfield, presided. He introduced three department men, Roy L. Davis, assistant director; A. C. Resek, special deputy, Chicago, and J. O. Brown, supervisor license division, Springfield. Mr. Resek noted that although life insurance premiums make up the great majority of total insurance premiums written in the state only 10 percent of complaints received by the department has to do with life insurance.

In an afternoon session the state association took steps to defeat the Haleck amendment to the code providing for reduction of interest on policy loans, which is deemed a dangerous proposal. The members will contact legislators to urge a vote for the code in its present form without controversial amendments, as otherwise it is feared the code might fail to pass. A resolution was adopted endorsing the code as passed by the senate. C. F. Axelson, Northwestern Mutual, Chicago, past state president, discussed the interest proposal, submitting a five-page brief prepared by an outstanding insurance attorney showing the many reasons why interest on policy loans should not be permitted to compete with bank loans.

F. A. Schnell, general agent Penn Mutual, Peoria, reported as membership chairman the roster was much improved, there being 146 more members than July 1 last year. A local association may be formed at Alton, the extension

committee reported. State association finances, Chairman Axelson of the finance committee reported, are in excellent condition.

Herbert Hendricks of Decatur, chairman education committee, stated the work is progressing in five directions: Promotion of public meetings, the essay contests in high schools, Life Insurance Week promotional work, placing life insurance text books in high schools and in public libraries. Norris Bokum, chairman legislative committee, being absent, C. B. Stumes of Stumes & Loeb, general agents Penn Mutual, Chicago, reported on the situation. An invitation was received from the Quincy chamber of commerce to hold the 1938 annual state meeting there.

### Many Chicagoans Present

A large contingent from Chicago attended, including L. S. Broadus, manager Guardian Life; P. B. Hobbs, agency manager Equitable New York; A. E. McKeough, W. A. Alexander & Co., Penn Mutual; Frederick Bruchholz, agency director New York Life and president Chicago association; Joy Luidens, executive secretary Chicago association, and D. Miley Phipps, superintendent of agencies Continental Assurance.

Local arrangements were well worked out under direction of President H. J. Brunner, manager John Hancock, president Aurora association. Others active in the arrangements were J. E. Moschel, first vice-president, representative of the Travelers; Thomas McGowan, general agent Lincoln National, second vice-president; J. A. Foulk, Equitable of New York, secretary-treasurer, and E. J. Reickman, assistant manager Metropolitan, treasurer.

### Company Officials on Hand

C. O. Fischer, vice-president Massachusetts Mutual, and Frank Howland of Rockford, recently appointed agency assistant, were present, as also was J. H. Ellis, Equitable of New York, Rock Island, the retiring second vice-president. Mr. Fischer spoke at the congress the next day.

Mr. Broadus, state chairman of the letter writing contest, reported much interest and cooperation has developed over this feature.

## INDUSTRIAL

### Industrial Gain Is Gradual, More Regular Than Ordinary

NEW YORK, May 6.—While industrial insurance is registering satisfactory gains it has not shown the large increase that might be expected from the degree of recovery that has taken place throughout industry generally. Part of this may be due to the fact that employees in industry are still catching up on the purchases of material goods which they had been forced to deny themselves during the lean years but a considerable share is due to the fact that industrial insurance, before, during, and after the depression continued on a much more even keel, as far as sales were concerned, than ordinary insurance.

Study of a chart of industrial as compared with ordinary indicates this very clearly. Industrial's peak year was in 1929 when paid business amounted to \$2,898,157,000—not a vastly greater volume than the \$2,695,602,000 which was rolled up last year. The 1936 production of ordinary, however, was quite a lot lower than the peak figure, which was also registered in 1929. The 1936 figure was \$5,371,239,000 as against \$8,684,131,000, leaving much ground to be regained before ordinary gets back to the 1929 level.

### Western & Southern Rally

More than 500 Western & Southern Life managers and leading fieldmen as-

sembled in Cincinnati for the annual convention at which President C. F. Williams announced plans for the celebration of the 50th anniversary of the company's founding next year. Talks were given by President Williams; W. A. Robinson, actuary, and L. H. Kreiter, deputy superintendent of the Ohio department; C. P. Johnson, vice-president and general counsel, C. M. Williams, vice-president; J. A. Beha, director and formerly New York superintendent of insurance, and Judge W. H. Lueders, director.

### New Maryland Provisions

The Maryland legislature has passed a measure adding four new sections to the standard provisions for industrial policies issued after Jan. 1, 1938. They require advance premium payments to company or to duly authorized agent; grace period of at least 30 days, etc.; attachment or endorsement of copy of application on policy; incontestability after two years, with certain qualifications; adjustment for age misstatement; non-forfeiture and cash values after five years; reinstatement privilege. Prohibitions include provision limiting time for suit to less than that prescribed under Maryland statute of limitations; provision making soliciting agents the agent of insured, or making agent's acts binding upon insured. A brief description of the policy in bold letters upon its face is required.

### Columbus District Meet

The Columbus, O., district of the Equitable Life of Washington, D. C., held a meeting with more than 150 agents from Ohio and West Virginia in attendance. From the home office were L. H. Hannah, vice-president and agency manager; C. Emory Phillips, assistant secretary, and F. C. Benton, assistant manager of agencies. M. J. Cullivan, Columbus manager, was presented a plaque, his agency having been the winner in a recent sales contest.

### Issues Hospitalization Policy

The Suwanee Life, Jacksonville, Fla., is issuing a new hospitalization policy. It has been approved by the Florida department. It provides hospitalization for either illness or accident in any hospital in the United States, and is not confined to one special hospital.

Dr. P. D. Weeks, High Springs, has been elected a director.

### Beam Goes to Gastonia

B. F. Beam, an agent of the Imperial Life of Asheville, N. C., at King's Mountain, N. C., has been appointed superintendent of the Gastonia, N. C., agency.

### Must Pay Premium Tax

The Kentucky attorney general's department has advised the insurance department that the 2 percent premium tax applies to group insurance and other types where premiums are sent directly by the assured to head offices. The department says: "Whether the business has been written by a Kentucky agent or not, it makes no difference so far as the applicability of the tax is concerned. The insurance carried on residents of Kentucky and paid for by Kentucky business houses is Kentucky business within the meaning of the statutes."

### Insurance Stock Divided

The circuit court at Kansas City has entered a decree providing for distribution of the assets of the estate of the late R. L. Gregory, which consists of 2,500 shares of Postal Life & Casualty valued at \$190 a share. He died in 1935. His widow was the administratrix. Mrs. Gregory is ordered by the decree to sell 588 shares for not less than \$190 a share to pay inheritance taxes, attorney's fees, expenses, etc. Mrs. Gregory is ordered to distribute the rest of the shares equally among herself and the three children of Mr. Gregory by a former marriage. Each will get 478 shares.



# SALES IDEAS AND SUGGESTIONS

## One-Man Organization Needs Business Insurance

Many underwriters become discouraged with the sale of business insurance because they try to sell only corporation and partnership coverage, said Leon Triggs, life insurance broker, at the Kansas City Chartered Life Underwriters' meeting. They overlook business insurance for the one man business, which is the easiest and most lucrative form of business insurance.

Corporation and partnership insurance frequently are unprofitable because of the keen competition. One or several key men in a corporation have friends in the business. The corporation's bank wants something to say about where the insurance shall be placed. In a partnership, each partner may have a particular friend in the business; or one of the partners may not be insurable, so that the whole deal flops and the underwriter's investment of time and effort is worthless.

### Only One Man to Deal with in Sole Proprietorship

In the one-man or sole proprietorship business, "You only have one man with whom to deal. The number of interviews is greatly reduced and the underwriter doesn't have to arrange his appointments so as to get all the partners together. And time is money."

"Business insurance is new to most sole proprietorships. There is magic in that phrase, 'business insurance.' It intrigues. He is fed up with life insurance. He has all he wants—more than he can pay for. He swears he'll never buy any more, and all that. But, here is something new. 'Business Insurance.' It flatters his ego. He'll listen. He carries fire insurance, workmen's compensation, liability, burglary, theft, etc. His business pays for it, just as it does his rent, his telephone bill, his electric lights, and so on. Why not his business insurance? Tell him he is entitled to it, that he works hard."

### Sons Must Prove Worth to Secure Credit, Etc.

"I approached the sole proprietor of a business not long ago and asked him if he carried 'business insurance.' He didn't know what it was, but he was interested at once. I pointed out to him that 'this business you're working so hard for should carry some business insurance for you. You have two boys you say you want to go into the business. If, after they are in the business a year, or two, or three, something should happen to you, the banks, the factories are going to curtail this firm's credit. The bank knows what you can do, but it doesn't know how capable your sons are. You ought to have 10, 15 or 20 thousand that will be available for dumping into this business under such circumstances. It would perpetuate the business to your boys.' I sold him over \$20,000 of business insurance when he was certain, before I came in, that he would never take any more life insurance."

### Stabilizes Business and Provides a Reserve

There are two principal objectives of business insurance. The first is to stabilize business, to provide a reserve. Most businesses set up "reserves" by putting them back into the business, so that if the firm runs into stormy weather, it is liable to hit the reef of bankruptcy and lose everything, because everything is tied up in the business. Business insurance creates an outside reserve to

which the owner can go in times of stress and ease the burden. Businesses are apt to over-expand rather than actually set up adequate reserves, Mr. Triggs believes. And it is this feeding of reserves "back into the business" that kills more businesses than any other one thing.

### Provides for Survival and Disposal of Interest

The second objective of business insurance is to provide for survival of the business or to facilitate the disposal of the owner's interest upon his death. "Provision for the conservation of a man's interest in his business is just as important as accumulating the interest," he said.

"The success of corporate businesses, such as chain stores," suggested Mr. Triggs, "is largely due to their enlistment of employee interest through sharing of profits by managers, assistant managers, and so on. This enlistment of employee loyalty is even more effective in the one man business where the employees are paying on insurance which will give them the business when the boss dies. Remember that 'it is always easier for a man to get into a business than for his widow to get out of it.'"

### No One to Continue Management of Business

"Obviously a sole ownership business is faced with much greater problems than a partnership or corporation. He has no partners to take it over, no one to continue its management. In fact, he is faced with almost insurmountable difficulties often resulting in nearly a total loss."

"It is so serious a matter to develop a sole ownership business without provisions for disposal that it is questionable if the objective is worth the effort."

"Business life insurance provides the solution by safeguarding the owner's interest and contributing to its success. Business life insurance bridges the chasm between the death of the owner and the time the new management takes hold."

"A business faces a number of problems on the death of the sole owner: (1) Loss in continuity of management; (2) restriction of bank and trade credit; (3) loss of business promoted by owner;

(4) problem of replacing owner's experience of management; (5) loss of interest on the part of employees, and (6) theft of customers by competitors.

"The widow faces as many problems: (1) Living without income of the deceased; (2) straightening out entangled business affairs; (3) inadequate funds to carry on; (4) assumption of deceased's obligations; (5) frozen assets, and (6) fear of losing capital, which results in worry."

"Regularity of income, though it is small, is of vital importance to the widow and her family. Thus \$100 a month cash may be worth more than \$100,000 of frozen assets."

### Trust Agreement Accomplishes Much

"A business life insurance trust agreement (1) guarantees a method of disposing of deceased's interest; (2) gives cash to the estate, or, preferably, income from the insurance company; (3) it maintains the full predetermined value of the business, increases the value of good will, and does away with delays and uncertainties, and (4) it eliminates the necessity for probate of the deceased's interest. Most laws hold that if the man dies intestate, the widow receives a third or a half and the balance goes to other heirs. If the others are minors, the balance of the estate is tied up a long time."

"With business life insurance a man takes his obligations with him but leaves his assets," said Mr. Triggs.

"Business life insurance also (5) prevents possibility of a creditors' scramble for a share of the estate; (6) does away with the necessity for prolonged sale negotiations; (7) relieves the widow of worry; and (8) provides the widow with a safe and sure income."

The widow's income should not be dependent on successful continuation of the business, commented Mr. Triggs, who has found this argument effective in selling business insurance.

### Benefits During Life of Business Owner

Benefits from business life insurance during the owner's lifetime include (1) strengthening of bank and trade credit; (2) building a liquid cash reserve; (3) giving the mental satisfaction of knowing that the value of his accumulated interest in the business will not be lost, and (4) assurance of control for a son.

Without business life insurance the business owner's family faces the problem of hiring a manager. Who? An employee who is likely to start his own

(CONTINUED ON LAST PAGE)

## Should Take Advantage of Seasonal Opportunities

By A. R. JAQUA

Forty men sit in the darkened Playhouse theater at Erie, Pa. In a ghostly light at the back of the stage appears a white-garbed, white-whiskered figure which knocks loudly at the back center entrance door and says:

"Awake, to the opportunity in building personal prestige—by Courtney Dale." Into a growing light steps the president of the Erie Life Underwriters' Association who is a Provident Mutual man and the annual convention of the Mutual Life of New York Sales Club and the Erie agency is on its way.

C. J. Frey, manager, believes in dramatizing his conventions. Last year the session consisted largely of a number of playlets. This year the theme was "opportunity" with addresses as follows:

"Opportunity Rising from New Prosperity."  
"Opportunities of the Season."  
"Opportunities of the Youth Market."  
"Opportunity of Social Security."  
"Opportunity in Programming Through Organized Sales Talks."  
"Opportunity in Conservation."  
"Opportunity in Life Underwriting as a Career."

### Opportunities of Season

Particularly timely was the talk on "Opportunities of the Season," by W. J. Shread, agency organizer, who said in part:

"To catch fish you must wait for the season and go where the fish are. To sell life insurance, you must go where the prospects are and at their opportune season when they are making money."

"First, is agriculture—the farmer, truck gardener, dairyman—who is making money this season. Then come the building contractors, electricians, bricklayers, plumbers; paint, hardware and wall paper stores; ice cream and soft drink manufacturers."

The automobile industry with its dealers, salesmen and mechanics present plenty of prospects. Consider also the June bridegrooms who contribute to such businesses as furniture, real estate, jewelry, clothing, florists."

### Spring Housecleaning

"We must not overlook the results of spring housecleaning which bring about increases in the business of dry cleaning establishments, electrical supply stores, new sweepers, refrigerators and washing machines. In June, when children are out of school, the dentist gets an increased proportion of work. June graduates suggest potential prospects."

"Mother's day. Any son or daughter whose mother is living becomes emotionally inclined to pay tribute to his or her mother on mother's day and a monthly income would perpetuate memory, or if preferable, an annual income to fall due on mother's day. All fathers of children or husbands feel intensely the meaning of motherhood on this particular day."

"What could carry more sentiment, a more lasting gift from a son or daughter, from a father to the mother of his children, than an income policy, a 'mother's day memorial'?"

### Good When Going Good

"Most life insurance men keep records of age changes, promotions, marriages, births, etc., because of opportunities these events present. I suggest another record of seasonal opportunities. There are 200 separate specific groups of manufacturers in Pennsylvania; they are good prospects all the time, but especially good when they are going good."

## PLANNED PLANS FOR PROSPECTS

Planning one's work—the adoption of a system—may be difficult at first. But, once put into operation, it will not only increase an agent's sales and earnings, but will also enable him to immediately put his finger on his weak points. This, in brief, was the message of P. F. Murray, Penn Mutual Life, at the meeting of the Plico Club at the home office of the Philadelphia Life. Mr. Murray's subject was "Planned Plans" and his talk was based on his weekly work sheet.

### Sheet of Paper Divided

In describing this form of "time control," he said that he divides a sheet of paper into six portions, one for each day of the week. He then divides it off into certain sections, putting down the number of people and their names that he is going to see. In the upper right-hand corner he places his direct mail quota. He said that he found his direct mail very useful and that he makes it a point to see the people the day after they receive the letter.

The sections—six in number—list the various types of prospects. They are listed as: A—package prospect; B—program prospect; C—business insurance; D—annuities and investment; E—salary savings, and F—service calls. The latter names are spotted through the week. Under each of these headings he lists the sales talks to be used for each type of prospect.

### Works Most of the Time

"When we have the cards out on Saturday or Sunday preparing our work sheet for the week," he stated, "we can figure out the sales talk we will use. It doesn't work 100 percent, but it does work most of the time."

Each prospect is coded for the result of the call. At the bottom of the sheet are three lines for applications, complete sales talks, and number of calls. These are totaled at the end of each week. In the upper left-hand corner he places at the beginning of each week the quota for each group of prospects.

"Statistics prove that there is more life insurance sold the second quarter of the year than any other. I suggest that you take advantage of the boom seasons."

Frank B. Jackson, service representative of the agency, besides training agents and doing conservation work, has developed a sales talk on the two-interview system. That it works is indicated by Charles S. Bierbach, who made his first life insurance call on March 11 and in the ensuing six weeks paid for \$45,000 with \$50,000 more in the mill. A sales talk was given by Mr. Bierbach with Mr. Jackson acting as prospect.

Other speakers included: A. R. Jaqua,

associate editor "Diamond Life Bulletins," Cincinnati; H. A. Craft, Thomas Hughes, J. A. Henderson, and C. P. Oakes, a professional commentator.

### One Man Organization in Need of Business Cover

(CONTINUED FROM PAGE 27)

business if he has the ability and who doesn't want the advice of an inexperienced widow? An outsider who is represented by senior employees, who probably cannot get staff cooperation and who probably won't be paid a satisfactory in-

come because it calls for sacrifice of income by the family?

Or, the family can sell the business. Where can a buyer be found? Can the purchaser pay cash or offer satisfactory security? Will he default? Good will evaporates on the owner's death. Accounts receivable are hard to collect.

### Alternatives Faced by the Liquidators

Alternatives to the executor? (1) His duty is to liquidate and distribute the assets. (2) Can he meet the demands of creditors without cash? (3) What about inheritance taxes, other taxes, etc., that demand immediate payment? (4) Competitors are the only prospects for the business, and they wait for a forced sale. (5) Will he have to liquidate under the hammer? Staples are usually sold for 10 to 20 percent, fixtures nearly worthless, under forced liquidation.

The business man shouldn't jeopardize his widow's income by endangering his personal life insurance. His personal life insurance is to provide for his widow; it isn't to protect the business.

Mr. Triggs has found business insurance appeals to professional men who "have much more life insurance than they can pay for." For professional men business insurance reimburses the family for loss from rental obligations, endorsements, deferred payments on equipment, and from shrinkage in assets. Also, it extends to their families a continuance of their incomes, and protects parents or benefactors against loss of money invested in their education.

"Surely it is more important to insure the human element, the earning power of a life, than it is to insure the material assets of a business. He, the professional man, assumes that if he lives, the business will 'keep' him in his later years, doesn't he?"

### Savings Plan Offsets Objections to Cost

"While low premium life or term policies are the more practical in such cases," Mr. Triggs said, "many proprietors of such business enterprises may balk at cost. If life income policies are proposed, they may see, not cost, but savings and gains. If they die prematurely, their families may receive many times as much as is deposited for the insurance. After a man's decease, his business may prove to be the grave into which his family pours the balance of his estate."

"Good intentions never solve problems for beneficiaries," Mr. Triggs suggested, "but business life insurance eliminates the problems. The sole owner of a business concern should be protected. It is his principal asset—and his family's. If he lives long enough he himself may receive two or three or more times the total of deposits."

"Life income policies were not devised for the cases suggested, but they make a bigger hit with many prospects than low premium policies."

This may sound paradoxical, that the underwriter tells the business owner he wouldn't want to take his personal insurance to save his business, and thus deprive his widow, and then the underwriter turns around and sells him what amounts to personal insurance on his business. It may sound paradoxical, but it works.

"Don't worry when you stumble," concluded Mr. Triggs. "Remember that a worm is about the only thing that can't fall down."

### Illinois Mutual Benefits

The mutual benefit associations of Illinois had in total income last year \$1,492,673 and disbursements \$1,404,055. For the most part these are small propositions. Those having more than \$100,000 income last year were the Great Northern Estate of Rockford, \$139,874; Great United Mutual Benefit, Centralia, \$178,692, and Lafayette Mutual Benefit of Chicago \$108,358. The total assets of these associations are \$364,513 and their liabilities \$174,766. They have 117,110 members.

### Northwestern National Announces Prize Winners

First prize of \$100 in the contest sponsored by Northwestern National Life to obtain true stories of life insurance experiences of the type which it has been using in its current national advertising was won by William G. Rutherford of San Francisco. The contest, open to salesmen of all companies, closed April 15 and announcement of the awards has just been made by the Hutchinson Advertising Company, which judged the entries.

In all, 34 cash prizes aggregating \$400 were paid. The prize winners were, in addition to Mr. Rutherford, Deane G. Davis, Sioux Falls, S. D., \$50; H. E. Cooks, Salina, Kan., and Henry E. Roth, Milwaukee, \$25 each; John G. Brinkley, Tulsa; E. B. Case, New Bedford, Mass.; Nella Patty Enkema, Minneapolis; P. D. Fagans, Jr., New York; W. B. Glascock, Waycross, Ga.; Louis Guberman, New York; C. H. Hoard, Brooklyn; Hugh B. Keck, Chicago; C. C. Potter, Washington, D. C., and W. H. Smith, Cleveland, \$10 each.

Winners of a \$5 bill were: D. J. Connolly, Sioux City, Ia.; George H. Cook, Bethlehem, Pa.; Cecily M. Davis, Detroit; Adrian R. Doh, Paris, France; J. E. Downs, Charleston, Mo.; E. D. Fischer, Cincinnati; I. G. Fisher, Dickinson, N. D.; F. L. Floyd, Philadelphia; G. F. Forster, Seattle; H. W. Hangan, Sioux City; H. K. Houtz, Sioux City; W. C. Jones, Wichita; E. J. McMichael, St. Louis; Stanley Park, Tuscaloosa, Ala.; Carl P. Spahn, Chicago; H. W. Sims, Oklahoma City; Victor Terry, Los Angeles; G. F. Teter, Albert Lea, Minn.; Albert Witt, Elkins, W. Va., and George A. Withers, Clay Center, Kan.

J. M. Lonergan has been appointed district agent for the Columbian National Life at Ticonderoga, N. Y.

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